

THE EVOLUTION OF INDUSTRY



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"This that they call 'Organising of Labour' is, if well understood, the Problem of the whole Future for all who in future pretend to govern men."—CARLYLE.

"Government and co-operation are in all things the laws of life, anarchy and competition the laws of death."—RUSKIN.

"Privilege, if rightly interpreted, is a call to special devotion. Fellowship in labour is the condition of happy and lasting peace. We want an organisation of industry which shall stir enthusiasm like the military organisation of the Middle Ages."—BISHOP OF DURHAM.

"The actual final rights of man lie in the far deeps of the ideal. Every noble work is at first impossible."—CARLYLE.

PREFACE

GOETHE prophesied that the great problems at the end of the nineteenth century would be the organisation of mechanical industry and the social and economic questions connected therewith. This prophecy has been abundantly fulfilled. The disputes and struggles connected with labour, and the conditions of the poorest classes of the community, have directed the attention of many thoughtful men and women to the social and economic problems of the day, and in all parts of the world these are presenting themselves to educationists, social reformers, politicians and statesmen, as the matters which above all others are urgently demanding careful study and investigation. M. de Laveleye put the dominant thought into words when he said: "The message of the eighteenth century to man was, 'Thou shalt cease to be the slave of nobles and despots who oppress thee: thou art free and sovereign.' But the problem of our times is, 'It is a grand thing to be free and sovereign, but how is it that the sovereign often starves? How is it that those who are held to be the

source of power often cannot, even by hard work, provide themselves with the necessaries of life?"¹

From a survey of the chief conditions of industry which have been brought about by the great development of machinery and of the applications of science, it is evident that the present century is in a large sense a probationary epoch, an era of beginnings. Indeed, it is not at all a question of whether the existing social order shall be changed, but of how the inevitable change shall be made. For ages the soil was being cleared, ploughed and harrowed, and for the past century the seed has been springing up, and in some cases coming to maturity before men were properly prepared to take advantage of it. The results have been that, while great advances have been made, there has been great turmoil in social conditions, and strife and stress in industrial relations, and we are now face to face with many problems of a very difficult nature.

The whole fields of economics, education, and even of religion have been revolutionised, and these have reacted on social conditions. Hence have arisen the demands of labour for a larger share of its products, and for their more equitable distribution. It is long since Carlyle pointed out that "this that they call 'Organising of Labour' is, if well understood, the Problem of the whole Future for all who will in future pretend to govern men," but it is only now that politicians are beginning to recognise that it is the most important piece

¹ *Contemporary Review*, March 1890.

of work which lies immediately before them. Like the Bishop of Durham, I believe "that the unique heritage which we enjoy, containing as it does the common enjoyment of the highest forces for inspiring and disciplining a generous character, not only prepares us to face the problem of the organisation of industry as a fellowship of service, but lays on us the obligation of doing so. The life of nations is a mission no less than the life of men, and unless the teaching of history misleads us, this is part of the mission of England. May the will answer to the call. Men upon the whole are what they can be—nations what they would."

The modern industrial community is a very complicated organism, and the interaction of cause and effect takes place in a way which is not easy to follow, either in fact or in thought. Hence the necessity for the careful study of the various factors of the problems involved, and for the elimination as far as possible of all disturbing elements. It is necessary to educate the democracy in the duties and rights of citizenship, so that their political action may be that of patriots and not of partisans. Too often men and women become social and political reformers and philanthropists because they have been caught by a cry of suffering or an urgent plea of wrongs to be righted; but they have seldom formed any adequate idea of the complexity of problems with which they attempt to deal, or of the delicacy of the social machine on which they depend. If these problems are to be solved in a satisfactory

manner, all their factors must be taken into account, and the different aspects fully considered.

Hitze, in his suggestive book¹ on social questions, has truly said that the problem of the day is, "To find a social organisation corresponding to the modern conditions of production, as the social organisation of the Middle Ages corresponded with the simple conditions of production then existing both in town and country"; and it is this problem in its industrial aspects of which I have attempted to indicate what I believe to be the nature of the solution. Both history and science show us that social and economic changes to be permanent must be gradual, and fitted to the mental and moral conditions of the people. I believe, therefore, that the solution of the problem I have mentioned will not be brought about by a revolution, or a brand-new organisation, but by the evolution of movements at present going on, and by the development of intellectual and moral training.

In the following pages I have attempted to estimate the value of the various factors in the industrial problem, and to co-ordinate or integrate their effective components, so as to be able to form some idea of the resulting organisation. The limits which have been placed to the size of the book have prevented anything like a complete analysis or description of the different elements in the labour movement; all that has been attempted has been a very brief outline of their most distinctive features. General readers have neither time nor patience for

¹ *Die Quintessenz der Socialen Fragen.*

minute accounts, and moreover it is not desirable that a survey of the whole question should be overburdened with details. The historical and economic aspects of the different parts of the subject have been dealt with in a very brief manner, and reference must be made to special works for particulars of their development. The object kept in view has been to show that the various parts of the labour movement have common components, and that they are developing an organisation of industry which will meet the conditions necessary for efficiency, and for the welfare of the community.

While I cannot hope to have pleased all my critics, either as regards my treatment of the subject or the results at which I have arrived, the book will have served its purpose if it has helped individual thought, and indicated the manner in which social problems should be studied before changes in administration and legislation are attempted. I have, however, not been so anxious to give, in a dogmatic manner, my own opinions, as to show the tendency of thought among those who are studying the problems connected with labour, and who may be considered authorities regarding them. At the same time it must be remembered that the organisation of labour is only one element, although no doubt a very important one, in the more general problem of the organisation of society, which I shall consider in another volume.

I have to thank my friend Dr. R. M. Wenley for his kindness in reading the proof-sheets as they passed

through the press, and for many suggestions which have helped to make my meaning clearer. He is, however, in no way responsible for any of the opinions expressed in the book. I have also to thank many friends connected with different phases of the labour movement, as employers and workers, for the information which they have given me, and for the opportunities which they have afforded me of discussing the various aspects of the work in which they are engaged.

DOWANHILL, GLASGOW,

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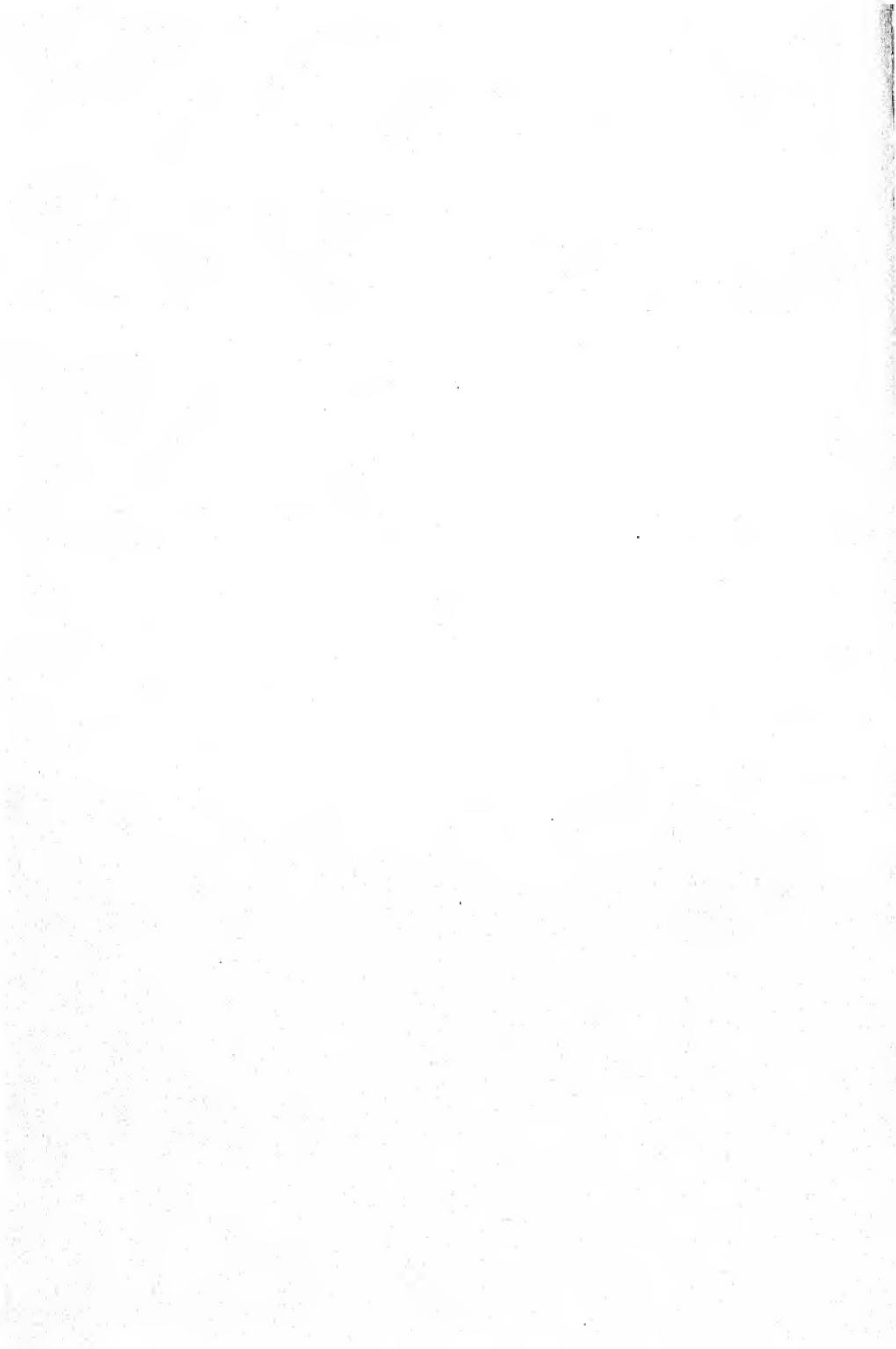
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CHAPTER I

INTRODUCTORY

WHILE it is universally recognised that one of the distinguishing features of the present century has been the ever-increasing extent of the applications of science to industry, it is very remarkable that these should have been for the most part confined to details and to methods of production, and that little or nothing has been done to guide its organisation on scientific lines. Recent writers on the subjects, however, have recognised that economics and politics must have a biological and physical basis, and that social science is only the final chapters of physical and biological science. The general problems of sociology are of a very complicated nature, but the special ones involved in the organisation of industry seem comparatively simple, and a little observation shows that their solution is being evolved under the action of the forces at present in operation. A short statement of physical and biological laws will therefore be a useful introduction to our present study.

The history of all the natural sciences is usually divided by writers on the subject into two very distinct epochs. In the first of these, observations are made and facts collected, and in the second

laws are deduced from these facts and observations which are useful in guiding us in our expectation of what will happen under similar conditions. In the first stage the observations may be either of such phenomena as occur in the ordinary course of nature, or they may be the result of special arrangement on the part of the observer, that is to say, they may be the result of experiment; while in the second stage we may have not only general deductions, but also mathematical analysis which enables us to make many deductions of a special nature. We have therefore really four distinct stages in the development of the natural and physical sciences, namely those of observation, theory, analysis and experiment. Although these stages have, as a rule, been developed at different periods and very often by different individuals, it is not to be imagined that it is possible to draw a strict line of division between them, for they may all to a certain extent be going on at the same time, and they may not always occur in their natural order. For instance, we very often have premature theory before sufficient facts have been collected; we may have incomplete analysis before all the conditions of the problems have been discovered; and we may have unsatisfactory experiments before sufficient is known of the general laws which guide them, and the results may thus be uncertain. Still it is generally true that observation, theory, analysis and experiment must be gone through before any subject is worthy of the name of science, or is capable of scientific treatment. When the laws of an entire class of phenomena have been reduced to the form of a science, that is to say, when the most simple system of principles has been discovered, from which all the formal laws of the class of phenomena can be deduced as consequences, such a system, with its

deductions, constitutes the physical theory of that class of phenomena.

It would take us far beyond our present scope if we considered all the problems which arise in connection with these four stages of science ; the only point which it is necessary to emphasise in the meantime is that every theory must not only be based on facts, but be tested by facts. If the theory is found to explain all or very nearly all the observed facts, and is opposed to none of them, and if, moreover, it is confirmed by special experiments, then that theory is said to be true. The term "true," however, is used only in a relative sense as indicating that the theory sufficiently explains all the facts which have been observed, and may be assumed to hold with regard to facts of a similar nature which may be observed, and may therefore be used for predicting what will happen in the future. When a theory has been deduced in this manner, confirmed by analysis and established by experiment, it is said to be a Law of Nature, and simply states the order in which things have been observed to happen. When exceptions occur or when any miracles are said to have been performed, they show that the law requires to be restated or extended. The point to be noted is that there is nothing absolute in such a so-called law : it is not a fact, but only a supposition which explains all or almost all the facts which have been observed, and which will in all probability explain all which we may afterwards observe. In nature, however, the probability is so great that it may be assumed as quite certain for all the practical purposes of life. Science, in short, is simply generalised empiricism, and must therefore be in a constant state of development, and the science of to-day will, in many cases, be the empiricism of the future.

It should be noted that the scientific method of investigating phenomena involves not only the use of inductive and deductive reasoning, but also the exercise of imagination, for the purpose of linking the results into a complete theory, so that this latter faculty is quite as necessary for the scientific man as for the poet. Accordingly, if social and economic science is to be scientific in its nature, its investigators must not only study facts and figures, they must also be prepared to clothe these with ideals of the possibilities of the future. The painters of Utopias, who are very often laughed at by the so-called practical men, are therefore perfectly scientific in their methods, although they may sometimes allow their imagination to get the better of their reason. The more cautious among them will be content with ascertaining present tendencies and lines of development, and indicating what appear to be the probable conditions in the near future.

The laws of the expansion and the compression of gases afford very good illustrations of the use of theory, and also of the limits of its application. These are founded on the supposition that the gases are "perfect," and therefore they apply only approximately to ordinary gases. When, therefore, they are applied to problems in which steam is employed, while the results they give may be useful for practical purposes, they must be used with great care. For instance, the ordinary theory of the steam-engine is founded on the supposition that the steam in the cylinder acts as a perfect gas, that the sides of the cylinder are non-conducting, and that other causes of loss are neglected. While the results obtained may be useful for approximate calculations, they require to be supplemented by practical knowledge of the class of

engine under consideration. As put in some of the text-books, however, a theory of this kind is apt not only to lead to very grave mistakes, but also to hinder all real development. For instance, if it had been implicitly believed, it would have prevented the greatest improvement which has been made in the steam-engine during recent years, namely the multiple expansion of the steam. The science of thermo-dynamics indicated the directions in which developments ought to take place, but even this required to be supplemented by experiment and observation of actual engines before the real philosophy of the steam-engine could be understood. Indeed, notwithstanding all that has been done, the factors involved in the problems are so numerous that a complete theory of the steam-engine is as yet impossible, and we have to a very large extent to depend on practical experience. If this be the case with the steam-engine, it is so to a much greater extent with social science. The problems connected with it are to be solved by studying actual conditions, and it is only when the conclusions derived from economical considerations are brought into harmony with the physical, biological and ethical conditions necessary for social welfare, that they can be accepted as guides to practical life.

We sometimes hear it said that certain proposals are contrary to the laws of political economy or ^{Economic} ^{Laws.} economics. Such an opinion rests on an entire misconception of the idea of Law, and especially of what are called economic laws. These latter do not tell us what ought to happen, or what it is most desirable should happen, but simply what will happen under given economic conditions, in short, what will be the effects of given causes.

Treatises on economics trace the existing state of

industry, the distribution of wealth, and other economic conditions to certain causes, and argue that from them the effects inevitably follow. They have in fact, however, been in many cases little more than examples of abstract logic in which the suppositions made were very far from what actually occurred, and consequently the conclusions arrived at are of little use in practical life, without considerable modifications. What the economists have got to do is, not to sneer at any proposed legislation or organisation of industry, but to change their postulates and make them more in agreement with the actual facts. It is quite within the power of man to modify the causes which are at work, and the conditions under which they act, and in fact change the objects to be aimed at.

The economics required for the production of noble, healthy men and women differ entirely from those most suited for the production of cotton cloth at a farthing a yard less than our Continental competitors, and so on with other conditions which might be supposed. The laws of economics, therefore, vary according to the circumstances of the times and the ideals which men may have, and they do not favour one form of industrial organisation more than another, and any economist who says so proceeds on entirely unscientific lines. Law in the physical world differs from law in economics chiefly because the latter deals with reasoning and intelligent beings, and it is this difference which, as Professor Hodgson remarked, "in the human sphere translates *law* into *duty*, and the *must* of the physical world into the *ought* of the moral."

The methods and objects of economics have been described by Professor W. Cunningham in the following sentences:—"The so-called laws of political economy—

in so far as they are universal in form—are hypothetical principles which it is convenient to use as instruments for investigating the complicated phenomena of society ; but it is absurd to treat mere instruments of investigation, assumed for convenience' sake, as principles for practical guidance. Some of the so-called laws of political economy have a different character, since they are generalisations from experience : they tell us what has happened, and so enable us to forecast what will happen under any similar conditions. They formulate what has occurred in the past, but they do not tell us what ought to occur in the future ; they neither condemn nor approve what is yet untried. But still they have an important bearing on any such proposal as, for instance, that of a living wage ; the empirical generalisations of the economist enable us to forecast the probable results of the living wage on business relations in the near future : they do not take us very far ahead, because society and its habits are always changing ; but they do enable us to make an intelligent forecast for some little way ahead, because society and its habits change but slowly. Political economy does not approve or condemn ; it gives us the best available means of forecasting the probable result of some change in its effects on the material prosperity of the country ; the science then leaves it to politicians and moralists to approve or disapprove of the project."

On the same subject Professor Marshall has remarked : "It is sometimes said that physical laws are more universally true and less changeable than economic laws. It would be better to say that an economic law is often applicable only to a very narrow range of circumstances which may exist together at one particular place and time, but quickly pass away. When they are gone, the

law, though still true as an abstract proposition, has no longer any practical bearing; because the particular set of causes with which it deals are nowhere to be found acting together without important disturbance from other causes. Though economic reasoning is of wide application, we cannot insist too urgently that every age and every country has its own problems; and that every change in social conditions is likely to require a new development of economic doctrines.”¹

The earliest combinations of men for the purpose of supplying their daily wants led to a certain amount of organisation and division of labour, by which the work of each member was restricted to the supply or production of special articles. This necessitated *exchange* for the other necessaries of life, a transaction which gave meaning to the term *value*, which simply denotes the amount of commodities which can be obtained in exchange for any other commodity, so that division of labour and exchange had the same origin. As industry progressed *tools* were employed in production, and these having gradually become more powerful and complicated, were called *machines*. These have been most effective factors in bringing about the present social and economic conditions.

The extension of crafts and industries altered the relations of the people to the land, and brought about the payment of *rent* for the privilege of being allowed to cultivate the most fertile parts, and, moreover, increased *wealth* to considerable proportions. Part of this wealth, which is usually called *capital*, was devoted to further production and to the payment of the workers. Hence arose the classification of *capitalists* and *labourers*, the former of whom obtain not only

¹ *Economics of Industry*, vol. i. p. 42.

interest on the money which they have invested, but also whatever other *profits* they can make, while the latter are as a rule only paid wages.

For my present purpose it is not necessary to pursue the evolution further, as my chief object is to consider the process by which wealth is increased, and to infer what should be the relative claims of the labourer, the inventor, the director, and the capitalist when the subject is looked at simply from a physical point of view. How far these claims may be modified when looked at from a social point of view must be decided by ethics and by practical politics, and on this subject I will make a few remarks further on.

John Stuart Mill said that "every one has a notion, sufficiently correct for common purposes, of what is meant by wealth." In economic investigations, however, we must endeavour to arrive at more exact notions if we are to obtain conclusions which are to be of much use.

In its more general sense, some economists now define *personal wealth* so as to include all those energies, faculties, and habits which contribute to making people industrially efficient, together with those business connections and associations of any kind which are reckoned as part of wealth in the narrower sense of the term. The economists of the German school lay special stress on the non-material elements of national wealth, and include scientific knowledge, mechanical inventions, improvements in the methods of production, literature and fine art, and the organisation of the State, as important factors in national wealth. Many writers, however, use the term in a much narrower sense. The Duke of Argyll has said: "Look what the economists have done for you. They have degraded the word 'wealth' into the posses-

sion of lumps of matter. They say that wealth must be something material. Well, the meaning of the word 'weal' was once the same as in the word 'commonweal.' It is our business and duty not to look merely at material things, but it is part of our economic science, I maintain, to look at all that constitutes the weal of human society. You may expatriate as you like, in all the fields of human thought that bear upon the welfare of the human family, and do not let the economist tell you you are going out of your field and out of your science in so doing."¹

While the importance of these considerations is universally admitted, the majority of economists hold that they come within the sphere of practical politics rather than of economics, and that it is convenient to define wealth as consisting in the relative-weal-constituting elements in man's material environment. It is therefore objective to the user, material, useful, and appropriable.² Reserving a broader term to designate well-being in general, usage has employed the word "wealth" to signify, first, the comparative welfare resulting from material possessions, and secondly, and by a transfer, the possessions themselves.

Even with this restriction, however, it is possible to make the science of economics, or of the production of wealth, to rest on a wider basis than hitherto, and to include not only the physical, but also the biological and ethical conditions of human welfare. We will consider shortly what these conditions are, and we shall see that, while the physical involve only the greatest quantity, the biological and ethical require, not only the highest quality, but also the justest distribution of wealth.

¹ *Aspects of Modern Study*, p. 152 (Macmillan and Co., 1894).

² Cf. Professor J. B. Clark, *Philosophy of Wealth*, p. 4.

The production of "perpetual motion" was for a long time the dream of enthusiasts, and although its impossibility is now recognised by all who have had any training in science, many designs are still made which unconsciously assume its possibility. From Newton's Third Law of Motion it follows that the energy exerted on any system or machine has its equivalent in the work done, some of which may be useful and some useless. The latter includes what is spent on friction and other useless resistances. It must always be distinctly recognised that no ingenuity can increase the amount on the right-hand side of this fundamental equation, although it may be transformed in a great variety of ways.

The Law of the Conservation of Energy states this in general terms, and asserts that it is just as impossible to create or destroy energy as it is to create or destroy matter. The only way of establishing the truth of such a law is by trying it in a number of cases, and if it succeed in explaining the peculiarities of each case, we have strong grounds for believing its truth. The Law of the Conservation of Energy has been tried in a very large number of cases, and not only has it stood the test, but it has also helped us in finding out new facts and laws of matter. This law is therefore only an intelligent and well-supported denial of the possibility of perpetual motion.

All schemes which aim at perpetual motion leave out of account the effects of friction, which absorb a certain part of the energy exerted, and thus reduce the amount of useful work done. The conditions of maximum efficiency in any organism or machine require that no energy shall be exerted with useless results which can be avoided, that friction (which cannot be altogether

got rid of) shall be reduced to a minimum, and that the various parts shall be duly co-ordinated the one with the other. An industrial organisation must conform to similar conditions, a fact which we must remember when considering the various movements which are going on in the industrial world.

It is in the design of heat-engines that we most frequently see violations of the law at the present day, for in the ordinary mechanical arrangements there is little difficulty in perceiving the absurdity of attempting to create energy. Although we may convert the whole of a given amount of energy into heat, we cannot convert all the energy of heat back again into work, and in the most perfect heat-engine a large portion of the heat is dissipated, and will continue to be dissipated however perfect our engine may become. In short, the process of the conversion of work into heat is not a completely reversible process, and on this fact Sir W. Thomson (Lord Kelvin) has founded his theory of the Dissipation of Energy. In its most general form this theory asserts that the temperature-energy of the universe is gradually being dissipated into space, and that there is going on a reduction of temperature which will ultimately bring the whole system to a state of uniform temperature and make it worthless so far as the production of wealth is concerned, since such production depends upon difference of temperature. Although, therefore, there is, in a strictly dynamical sense, a conservation of energy, yet as regards usefulness or fitness for living beings as at present constituted the energy of the universe is in a process of deterioration, which compels us to contemplate the ultimate extinction of existing animal and vegetable life, probably however to give place to other kinds of which at present we can form no conception.

The most evident lesson to be learnt in connection with economics and industry from the physical principles which we have been considering is that no amount of ingenuity can produce work without the expenditure of energy in some shape or form, and that those who do not take a fair share in this expenditure must be dependent on the energy exerted by others. The Law of the Conservation of Energy therefore enables us to determine the economic value of each member of the community. A discussion of the other consequences of this law, as for instance their bearings on the time-honoured disputes connected with interest and intrinsic value, would take us into many departments of economics, but our present limits allow us to note only a few of the points which are applied in the sequel.

In the physical world there are a great many forms of energy. Some, such as for instance those of visible motion, of position and of heat, are very evident; but others, such as electricity, radiation and molecular action, are very obscure, although they may be the most powerful. So in the domains of economics and sociology, if we wish to apply physical principles, we must remember that the term "energy" should be used in its general sense, and not by any means be confined to dynamical efforts which result in manual work, but include both intellectual and spiritual efforts, which may have very important dynamical equivalents.

There is a tendency at the present day to attach undue importance to mechanical work, and to forget that intellectual and spiritual work is often the most important. Even what is usually considered wealth is not simply the result of manual toil or of even social labour, but of both of these multiplied by ability, a fact which

ought to be carefully remembered when discussing the methods to be followed in social reform. Even Adam Smith began his great treatise on *The Wealth of Nations* with the statement that "the annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of labour, or in what is purchased with that produce from other nations." In this sentence we recognise the influence on Smith of the French physiocrats. Without explanation, it is not quite accurate, and has led to wrong impressions of Smith's opinions. He did not by any means ignore the other factors in wealth-production, like some of the recent writers on the subject.

Henry George, for instance, says: "Nature gives wealth to labour and to nothing but labour." This and many other similar opinions which are beginning to prevail at the present day are, indeed, but a return to the Canonist doctrine of the Middle Ages. Mediæval writers saw but two factors in production, namely, land and labour. "The land was the ultimate source of all wealth; but it needed human labour to win from it what it was able to provide. Labour, therefore, as the one element in production which depended on the human will, became the centre of their doctrine. All wealth was due to the employment of labour on the materials furnished by nature; and only by proving that labour had been engaged in bringing about the result could the acquisition of wealth by individuals be justified. 'God and the labourer,' as one widely-read theologian expressed it, 'are the true lords of all that serves for the use of man. All others are either distributors or beggars'; and he goes on to explain that the

clergy and gentry are debtors to the husbandmen and craftsmen, and only deserve their higher honour and reward so far as they fitly perform their duties as 'ruling classes,' which involve greater labour and greater peril."¹

It will be seen that the Canonist doctrine has a close resemblance to the principles held by the modern socialists, and that both overlook the place which intelligence, skill and capital take in the production of wealth. Labour by itself may indeed involve a great expenditure of energy, but unless properly directed it will never increase wealth, but on the contrary rather diminish it. All labour involves a consumption of potential energy, and there can be an addition to wealth only when, in exchange for the potential energy consumed by the labourer, another and larger quantity is made available for human use, a result which as a rule can only be brought about by properly-directed skill. The most important economic fact of the modern world is the constant increase of the amount of wealth that results from the exertions of the same number of men; and the cause of this has not been the mere manual labour, but the gradual concentration of the moral and intellectual faculties of exceptional men, either in discovering processes, inventing machines or directing labour, all of which is included under the general name of ability. It is to the increasing operation of this ability that a great part of the increment of wealth is due. While, therefore, we may be willing to admit that in the near future there will not be so great a difference between the scales of remuneration of skilled and unskilled labour as there is at present, it is quite evident that human nature and science alike demand the recog-

¹ Ashley, *Economic History and Theory*, Part II. p. 393.

nition of the justice of a considerable difference. It would be just as absurd to deny that great inventors and organisers are very powerful factors in the production of wealth as it would be to deny that great generals are of more value than common soldiers, or great poets than ordinary labourers.

Carlyle said: "Two men I honour and no third. First, the toil-worn craftsman that with earth-made Implement laboriously conquers the earth, and makes her man's. Venerable to me is the hard Hand ; crooked, coarse ; wherein notwithstanding lies a cunning virtue, indefensibly royal, as of the Sceptre of this Planet. Venerable too is the rugged face, all weather-tanned, besoiled, with its rude intelligence, for it is the face of a Man living manlike,

"A second man I honour, and still more highly : Him who is seen toiling for the spiritually indispensable ; not daily bread, but the Bread of Life. Is not he too in his duty ; endeavouring towards inward Humanity ; revealing this, by act or by word, through all his outward endeavours, be they high or low ? Highest of all when his outward and his inward endeavour are one ; when we can name him Artist ; not earthly Craftsman only, but inspired Thinker, who with heaven-made Implement conquers Heaven for us ! If the poor and humble toil that we have Food, must not the high and glorious toil for him in return, that he have Light, have Guidance, Freedom, Immortality ?—These two, in all their degrees, I honour ; all else is chaff and dust, which let the wind blow whither it listeth."¹

The definition of *useful worker* must therefore be made wide enough to include all who render efficient social service. Whether by pen or pick, whether by

¹ *Sartor Resartus*, Book III. chap. iv.

voice or by hammer and chisel, whether in the factory or in the mine, whether as director, distributor or producer, whether in the Local Governing Bodies or in the Imperial Legislature, all who take a fair share of work which tends to improve the economic, social, material, mental or moral conditions of the people, are useful workers, and deserve a fair wage in return for their work.

Remembrance of this definition would to a large extent prevent the fundamental dispute between different schools of thought on social and economic subjects, and reconcile the claims of labour and of ability. If we consider, as is sometimes done, that mental qualities or social position, whether hereditary or acquired, are capital, some of the cases mentioned in the above definition are illustrations of the combination of labour and capital. The economists generally point out that labour without the assistance of ability would not only be much less efficient, but in many cases would result in positive loss of energy and waste of wealth; whereas the socialists to a very large extent deny the claims of ability, and would treat it very much as they are inclined to treat material capital, that is, appropriate it without return of any kind.

The question ultimately resolves itself into one of ethics. Carlyle said: "It is a calumny on men to say that they are raised to heroic action by ease, hope of pleasure, recompense,—sugar-plums of any kind in this world or the next. In the meanest mortal there lies something nobler. The poor swearing soldier, hired to be shot, has the 'honour of a soldier,' different from drill regulations and the shilling a day. It is not to taste sweet things but to do noble and true things, and

vindicate himself under God's Heaven as a God-made Man, that the poorest son of Adam dimly longs. Show him the way of doing that, the dullest day drudge kindles into a hero."

While no doubt this is true, a little experience of actual conditions is sufficient to show us that, without the incentive of personal reward, men as at present constituted would not exert themselves to perform a great part in the work of the world. We are sometimes reminded by enthusiastic altruists that clever business men, manufacturers or organisers, who take advantage of their ability and their opportunities simply to advance their own individual interests, are all savages or remnants of our brutal ancestors. That in a sense is true, but such survivals will be common for many a day, and their existence cannot be ignored. A healthy civic and social spirit must be engendered by improved education and by all the other intellectual and moral means which can be employed. Those imbued with this spirit would find their best reward in having performed effective social service, but meantime it ought to be recognised that both physical science and observation of actual conditions commend a higher rate of remuneration to ability and energy than to commonplace efficiency, and certainly than to stupidity and laziness.

While admitting that the altruistic spirit in society is not to be brought about simply by enactment, still, judicious legislation and wise administration might do a great deal to curtail the power of wrong-doing and to reduce the inequality in economic and social conditions. The evolution in this direction might be further helped by the combinations of employers and employed, or by the industrial guilds, which we will explain further on.

We may rest assured that the day is very far distant when all will be paid alike, for this presupposes a moral state of society which it is difficult even to imagine now. Such a state will only be possible in the millennium, when there will be no need to discuss laws of any kind, for each one will be a law unto himself, and the impulse for doing what is right will come entirely from within. In the meantime, however, we must be content with a slow process of evolution in the direction of perfect unselfishness and of higher ideals of duty. We will later on consider some of the special aspects of wages, and at present we can only note some of the general conditions which should regulate them.

With regard to the ordinary socialist theory Professor von Wieser has remarked that "the socialists would have us believe that the value of every kind of labour should be estimated simply according to time; that is to say, the duration of the service should alone decide its value relative to other labour,—which assumes, of course, that slovenly labour is reduced to earnest labour, unskilled to skilled labour. This is the extent to which the quality of the labour would be taken into consideration, but no further. Those differences of quality which reside in the task set before the labourer are left quite out of consideration. Common manual labour, higher artisan labour, superior mental labour, are all to be regarded as equal. Does it require any special proof that this is contrary to the natural laws of valuation, and that no economy could last which treated its division of labour in this way?"¹

The Bishop of Durham may be taken as representing those socialists who have not only very carefully thought out economic and social problems, but are at the same time

¹ *Natural Value*, p. 162 (Macmillan and Co.).

imbued with a deeply religious spirit which impels them to unselfish service for the good of the community, and his opinions on this subject are well worthy of attention. He says: "Socialism, as I have defined it, is not committed to any one line of action, but every one who accepts its central thought will recognise certain objects for immediate effort. He will seek to secure that labour shall be acknowledged in its proper dignity as the test of manhood, and that its reward shall be measured, not by the necessities of the indigent, *but by its actual value as contributing to the wealth of the community*. He will strive to place masses of men who have no reserve of means in a position of stability, and to quicken them by generous ideas. He will be bold to proclaim that the evils of luxury and penury cannot be met by palliatives. He will claim that all should confess in action that every power, every endowment, every possession, is not of private use, but a trust to be administered in the name of the Father for their fellow-men."¹ After pointing out the main steps in the evolution of society, he proceeds: "Our position, then, is one of expectancy and preparation, but we can see the direction of the social movement. We wait for the next stage in the growth of the State when in full and generous co-operation each citizen shall offer to the body the fulness of his own life, that he may rejoice in the fulness of the life of the body."

At the same time there is a growing tendency for the reward of ability to decrease, not only on account of the better education of the masses of the people, but also because of improving social conditions. After all it is not a very revolutionary assumption to suppose that a leader of industry should be satisfied with a

¹ *The Incarnation and Common Life*, p. 228.

reward which satisfied a Newton, a Watt, a Darwin, or a Faraday. Newton laid the foundations of modern physics and astronomy, and made possible many of the recent advances in science and its applications to industry. Watt did more to increase the means of useful production in proportion to population than the advent of thousands of ordinary lives does to decrease the products. Darwin was the means of revolutionising almost every department of human thought and action ; while Faraday by his researches led to the great developments of the applications of electricity, which are ultimately likely to change not only the nature of our machinery, but also to affect industrial organisation profoundly. All that such men ask is a modest assured income and abundant tools and implements for their work. Love of this work and emulation supply sufficient motives for their exertions. Even in the industrial world, wages are becoming of secondary importance to those who are taking the lead in the movements which are tending to the reorganisation of society. Among the co-operators, for instance, we find men managing, with the highest efficiency, concerns of great extent and importance for salaries smaller than those of bank clerks. They find their real salaries in the success of their work, and in the knowledge that it will lead, not simply to individual riches, but to the welfare of the community, and especially of the workers.

Moreover, it must be recognised that a great part of what is at present considered the reward of ability does not really deserve the name, being rather the result of social opportunity derived from the possession of wealth. If educational opportunities were equalised and economic disadvantages removed, there would be an

increasing tendency for the enormous fortunes of individuals to be reduced to nearly the general level. Very often writers on this subject confuse the proprietary classes with the productive classes, the holders of ability with the holders of land and capital, and the mere dividend and rent drawing parasites with the organisers of industry, forgetful of the fact that many of the wealthy classes have obtained their advantages by monopoly or fraud or robbery in some shape or other, or have inherited them from ancestors who had so obtained them.

The consideration of the position of Capital in the production of wealth opens up many problems on which there might be long discussions.¹ The majority of people, however, are willing to admit that Capital is the portion of wealth (excluding land and natural agents, considered as unimproved) employed in the production of new forms of wealth; and that generally it is used to supply subsistence, tools and materials to the workers until they have been able to obtain effective results. It may thus be looked upon as stored work, which may be used for rendering available the potential energy of Nature. In a sense, therefore, Capital itself is a tool, and, like other tools, it requires ability to make it effective. It gives time to labour to avail itself of those powers of Nature which can be made available only after a considerable expenditure of energy and a considerable interval of time.

While we may criticise the socialist conception of the position of wealth in the production of work, we must recognise the truth that there is in it. "However the growth of wealth and industry disguises the fact, in all production of wealth there are only two original forces

¹ Cf. *The Positive Theory of Capital*. By Eugen V. Böhm-Bawerk. Macmillan and Co. #1

at work—Nature's powers and man's powers. Human powers, as always limited, and as always put forth 'at the cost of' brain or tissue, are all 'economic'; but in the great treasury of natural forces there are some powers so universal in their scope and working that they do not enter into calculations of cost. As we say, using two phrases whose full significance we do not always realise, we do not 'economise' the free gifts of Nature—they 'cost' us nothing; although they enter into the operations of all production, they do not enter into 'economic' consideration. The original factors of production, then, are man and Nature; the strictly economic factors of production are labour and those natural forces (called by metonymy land) which are limited and capable of being monopolised. But Capital, however much credit it gets and deserves for its work in present-day production, is no independent factor alongside of these. In one aspect it may be called 'stored-up labour,' in another—and more truly—'natural force stored up by labour'; but in Capital itself, alike in its origin and its working, there is nothing that is not accounted for by the other two factors."¹ The position of Capital in the organisation of the industry of the future will be noted when we have considered the general process of evolution which is going on, and we shall see that it is subject to the same influences as the other means of production.

It must be noted in the meantime, however, that a great deal of what is called personal capital—that is, the portion of a person's wealth by which he obtains his living—does not conform to the definition we have given of Capital, for it renders no help in the production of

¹ W. Smart. In Preface to *The Positive Theory of Capital*, p. vii. By Böhm-Bawerk.

new forms of wealth. Even Adam Smith's definition of individual capital as "stock which is expected to afford a revenue" is not very satisfactory, for it may be that, while it affords a revenue to its owner, it does little or nothing to give employment to labour, or to increase the wealth of the nation. On the contrary, it is merely a first charge on industrial undertakings or on the revenue of the nation; and while it enriches individuals, it tends to impoverish the community. The National Debt, for instance, only represents the past folly of our statesmen, and cannot be considered real Capital. Few economists now agree with Lord Macaulay's high praises of this kind of stock, at least in its present form, although they would not object to it if it were gradually converted into a national pension fund for aged and infirm workers. Then again, much of the so-called capital in industrial enterprises is of a fictitious character, and has been calculated, not on the actual money spent, but on the capitalised income of a monopoly. It thus never had any real existence, and has been correctly described as the tribute which is exacted from the community by a small number of privileged persons.

A recognition of the Law of the Conservation of Energy enables us to estimate the economic value of different forms of expenditure either of wealth or of labour. Even economists of the orthodox type admit that, in an economic aspect, expenditure on luxuries is a wasteful perversion of wealth. We not infrequently, however, hear it said that it all helps to *make work*. Now it should be distinctly understood that the prosperity of a country does not depend on the amount of its work, but on its reward. Although energy cannot be destroyed, it may be dissipated and rendered unavailable for useful purposes; and although money spent on

luxuries gives a certain amount of work, this terminates in itself and has little direct economic significance. Those, therefore, who indulge in luxuries should be quite frank and say that they do so because they like them, and not because they think that it is the best use to which they can put their money. At the same time, taking men as they are at present constituted, it must be admitted that the wish to obtain luxuries is an incentive which urges them to action that has great economic results. This incentive will, however, become less powerful as the social spirit improves, and will be replaced by the wish to make the life of the community as full and complete as possible. Men will recognise that the Law of the Conservation of Energy holds not only in the physical and economic worlds, but also in the regions of intellectual, moral and spiritual efforts, and the meaning of Carlyle's saying will be clearly understood: "One way or another, all the light, energy, and available virtue which we have does come out of us, and goes very infallibly into God's treasury, living and working through eternities there. We are not lost—not a single atom of us—of one of us." This is another illustration that true science always agrees with true religion and brings us the light we need for courageous endurance. The crown of social service is to know that this service, however barren it may appear at the moment, will bear fruit in after time. These facts are being slowly recognised by economists, whose conclusions are beginning, not only to be guided by ethics, but also to rest on an intelligent understanding of the principles of physics and biology. We will therefore find it convenient to study shortly the conditions of development in Nature generally, and some of their applications to individuals and to communities.

CHAPTER II

CONDITIONS OF DEVELOPMENT

EVOLUTION is the guiding principle of all the scientific work of the present time. Even when it is ^{Introductory} not fully accepted, it is used as a working hypothesis, and in all the departments which deal with life it is everywhere dominant. The teaching of science has been revolutionised by it, and it connects in a satisfactory manner the departments of physics and biology. From the Law of the Conservation of Energy it follows at once that when any change takes place in the conditions of a natural organism or physical arrangement, there must be expenditure of energy in some way or other; or, as Herbert Spencer has put it, "Whatever amount of power an organism expends in any shape is the correlate and equivalent of a power that was taken from without." The term "power," however, is more correctly applied to the *rate* of doing work, and not to the *amount* of that work, so that it would be more exact to say that "whatever amount of work an organism performs in any shape is the correlate and equivalent of the energy it receives from without."

The recognition of the processes of evolution in the natural and physical worlds, of the gradual progress from the simple to the complex, from the indeterminate to the determinate, from the uniform to the varied, from

the homogeneous to the heterogeneous, and of successive integrations as the steps of this progress, has led to the application of the same methods and principles in psychology, morality and sociology, although, as we shall see presently, when we are dealing with intelligent and ethical man, great care requires to be taken in making analogies with the phenomena of the physical and natural worlds.

The origin and development of the earth and of all upon it are explained by the theory of evolution in a very satisfactory manner; and while ^{Man and} _{Evolution.} an end is put to many of the ordinary theological dogmas, a wider view is given to their subjects and man's relation to them. In fact, true science and true theology are gradually being perceived to be but two sides of truth, and both as yet are known only in part. Even Herbert Spencer admits that there is a "Power behind humanity and all things," which is not exhausted in any of its forms as shown in evolution. While we may give up our imperfect conception of God, we cannot abandon all belief in a purpose, an intention, a finality of some sort, which always has been, and still is being, manifested in the universe and in the evolution of human destiny. The part which man plays in working out this destiny is most important, for he can, either individually or collectively, modify his development in any desired direction by changing the nature of his environment. The character of his ideals, his sense of moral duty, and his efforts for the welfare of others, may reverse the conditions which are found in Nature, and may substitute the principle of self-sacrifice for that of selfish struggle. The advances of science and their applications to trade and industry are bridging over the chasm which severs the weak from the strong, and altering the conditions

of the struggle for existence. "Engineering, engrossed in pioneer work, accomplishes a feat beyond its own calculations. Working in the service of commerce, and simultaneously in the service of a large-hearted humanity, it leads the van of human progress. After the daring and the endurance of the explorer come the best results of mechanical contrivance; after these the rivalries of civilised nations; after these all that is best in generous feeling and purpose."¹

The Archbishop of Canterbury, in speaking of the "struggle for existence" and the "survival of the fittest" which is found in the animal and vegetable worlds, and the analogy which is usually drawn for society, says: "Unless the best and noblest part of the being of our fellow-men, their moral and spiritual nature, is utterly disregarded, and together with it all sense of duty as to cultivating and elevating that nature, and every sympathetic movement of compassion and natural charity left out of consideration, it seems impossible to establish a resemblance between the cases. The blind or brute struggle for existence is not the same phenomenon as the conscious human claim for decency or for instruction, for freedom and light. These are not accidents which can be ignored with safety for the whole, or agreeably to human sense of duty. That claim and that sense are answering chords. The fact in Nature is only newly observed. In the moral world non-interference would be a new fact, produced by new lines of conviction and action. It is not true that through the past history of man self-acting 'laws' have been allowed their course, and have so far moulded us. The East has been trained every hour for ages by the unswerving discipline of the Vedas, of Buddha, of Confucius, of Mohammed. Western

¹ Calderwood, *Evolution and Man's Place in Nature*, p. 82.

society has been modelled by the flexible but ceaseless pressure of Mosaic, Roman, ecclesiastical, constitutional legislations. By an infinity of corrective and protective influences the classes have been deliberately trained which are in the ascendant. The classes which are now miserable and perilous are exactly those which have been neglected. The survival of the fittest in Nature means the survival of the most beautiful, the best endowed, with power suited to their position, the cleverest; but the surviving 'fittest' might among men, in not inconceivable conditions, be only the strongest, in some material ways determined by numbers and dynamite."¹ The whole of our efforts in every department of life must be consciously dominated by a moral purpose in the manner I have indicated and, while paying due regard to natural laws, we must endeavour to guide their results to moral ends, and therefore to the improvement of the community. The process of selection which leads to development in the lower worlds of plants and animals, must in the case of man be guided by reason and elevated by high ideals of the possibilities of life. When man is most truly human, or in the highest attained stage of the evolution of civilisation, he ceases to be in harmony with the system of Nature in the sense true of vegetables or the lower animals, for he is not only intellectual but ethical—

" Know, man hath all that Nature hath, but more,
And in that *more* lies all his hopes of good.
Nature is cruel, man is sick of blood ;
Nature is stubborn, man would fain adore.

" Nature is fickle, man hath need of rest ;
Nature forgives no debt, and fears no grave ;
Man would be mild and with safe conscience blest.

¹ *Christ and His Times* (Macmillan and Co.).

“ Man must begin, know this, where Nature ends ;
Nature and man can never be fast friends.
Fool, if thou canst not pass her, rest her slave.”

Without this conscious co-operation and modification by man of the evolutionary forces in action, survival may often be the reward of anti-social characteristics, cunning, violence, unscrupulousness ; or it may be due to social arrangements for which the individuals most concerned are not directly responsible, for all these may be modified or completely changed by intelligent and ethical human effort. Indeed, the work of the social reformer and of the legislator may not inaptly be compared to that of a skilful gardener, whose aim is to place his flowers and fruit under the most favourable conditions for development, and this he does by restricting, and even preventing, wasteful competition. Free competition with a natural vegetation, usually called weeds in this connection, would soon reduce the best garden to a wilderness, and cause the best flowers and fruit rapidly to degenerate and ultimately to disappear.

A well-known writer on the subject of evolution, after showing that the “struggle for existence,” which is the main feature of the evolution of the lower animal world, has in the case of man a tendency to come to an end in virtue of his reasoning powers and moral ideas, says that “this elimination of strife is a fact of utterly unparalleled grandeur. Words cannot do justice to such a fact. It means that the wholesale destruction of life, which has heretofore characterised evolution ever since life began, and through which the higher forms of organic existence have been produced, must presently come to an end in the case of the chief of God’s creatures. It means that the universal struggle for existence, having

succeeded in bringing forth that consummate product of creative energy, the human soul, has done its work and will presently cease. In the lower regions of organic life it must go on, but as a determining factor in the highest work of evolution it will disappear.”¹ He then goes on to illustrate how the action of natural selection upon man has long since been essentially diminished through the operation of social conditions, and that there has been a gradual evolution of the moral feelings. “ And thus at length we see what human progress means. It means throwing off the brute inheritance,—gradually throwing it off through ages of struggle that are by and by to make struggle needless.”² This conclusion has, as we shall see, a most important bearing upon the organisation of industry, for it is as true of communities as it is of individuals.

The two main factors in all evolution, the nature of the organism and the nature of the environment, which are included by naturalists under the names Heredity and Environment, are therefore considerably modified in their action when the mind of man is brought to bear upon them, and the inferences to be drawn from that action form the bases of the different schools of social philosophers. Professor Henry Drummond has said: “ He who truly understands these influences; he who has decided how much to allow for each; he who can regulate new forces as they arise or adjust them to the old, so directing them as at one moment to make them co-operate, at another time to counteract each other, understands the rationale of personal development. To seize timeously the opportunity of more and more adjustment to better and higher conditions, to balance some inward evil with

¹ John Fiske, *The Destiny of Man*, p. 96.

² *Ibid.* p. 103.

some purer influence acting from without, in a word to make an environment at the same time that it is making us—these are the secrets of a well-ordered and successful life.”¹ What is true of individuals is also true of organisations in society, and in fact of society as a whole. They must not be allowed to drift along under the influence of blind forces, or be subordinated to selfish ends, but must be consciously dominated by a social ideal which will lead to the welfare of the greatest number. That is to say, the environments both of individuals and of communities must be consciously moulded in such a manner as to lead to the highest individual and collective welfare.

The subject of heredity is beginning to receive the attention which its importance demands, not only from biologists, but also from educationists and politicians. A study of the most advanced journals, both in this and other countries, shows that the problems of heredity and of parental responsibility for producing and rearing healthy human beings are being pondered by thoughtful men and women, who are beginning to perceive the necessity for applying their biological knowledge to the propagation and the education of the race. Educationists are beginning to apply it in their daily work, and even politicians are attempting to frame some of their legislation with due regard to it. It has, indeed, been said that this is the age of energy, but that the next will be the age of biology.

From the applications of the principles of physiology to human health many lessons of importance may be learned regarding the social organisation. Industry and temperance are essentials alike of individual and civic health. Individual ill-health very often leads to

¹ *Natural Law in the Spiritual World*, p. 255, 19th edition.

consequences which affect the whole community and cause pestilence and death, and individual idleness leads not only to the poverty of the persons concerned, but also to a decrease in the wealth of the whole community. The practical inference is that the interests of humanity are one, and that each member of the community is in a sense responsible for all the rest. A selfish policy is therefore not merely vain, but absurd, for it defeats its own objects. A lesson should be taken from the modern practice of medicine, not to trust too much to drugs and anæsthetics for the cure of our social diseases, but rather to depend on Nature, and healthy economic and industrial conditions, under which all who were able to work would find the necessary opportunities, while those who were unable would be properly cared for.

The ancient Greeks considered that to be well or nobly born was one of the best gifts of the gods. Campanella in his *City of the Sun*, written nearly four hundred years ago, said that the people in his ideal city laughed at us, who exhibit a studious care for our breed of horses and dogs, but neglect the breeding of human beings. Herbert Spencer has made a similar remark. "Consider," he says, "the fact from any but the conventional point of view, and it will seem strange that while the raising of first-rate bullocks is an occupation on which men of education willingly bestow much time, inquiry, and thought, the bringing up of fine human beings is an occupation tacitly voted unworthy of their attention."

Men and women at present attempt to throw on what they call the mysterious dispensations of Providence the responsibility for their own ignorance, sensuality or carelessness. If they were perfectly

honest with themselves, they could explain these so-called dispensations, and it is certain the society of the future will not accept such lame excuses for neglect in the performance of the highest duties to the race. No plea whatever can be received as an adequate apology for ignorance of some of the chief duties and responsibilities of citizenship. All the aspects of what is usually called "the population question," in their physiological, economic and social bearings, should be carefully studied ; for conditions are being evolved which will compel our teachers and legislators to recognise that the population question cannot be blinked for ever, nor left to the blind workings of animal instinct. If the question were approached in a reverent spirit, as becomes its importance, it would be found that increase of knowledge and self-control in this, as in other social problems, are the root factors of the solution. If the foundations for sound physiological knowledge were laid in our schools, and these were followed up by economic and social studies, there would soon be evolved such a strong public opinion on the subject that many of our most difficult social problems would gradually disappear. Sound minds in sound bodies are the only true foundations for industrial and social progress.

It is therefore of the greatest importance that boys and girls should not be engaged in work until they are well developed mentally and physically, and that when they are so employed the conditions should be such as to allow development to continue. Moreover, it is necessary that the environments of the adult workers should be healthy, so that their physical and mental health may enable them not only to perform their work with the highest efficiency, but also to enjoy life as rational beings and active citizens.

Legislation and public opinion have, within recent years, caused a great improvement in these conditions, but in many cases they are still very far from being what they ought to be.

The extreme socialists seem to attach too much importance to the influence of environment and too little to the efforts of the individual, and their ideals are often of a merely materialistic nature. Many of them practically say, "Get a good bellyful, and all other things shall be added thereto." A little observation of the world should be sufficient to show the absurdity of this position, for many, whose temporal wants are assured, never rise much above the level of unthinking and sensual animals. At the same time, social reformers should recognise the truth there is in the socialist position. It cannot be doubted that the material conditions give rise to, or greatly modify, the political ; that the material and political conditions give rise to the social ; while the material, political and social profoundly influence the moral. It is certainly absurd to expect men to be either moral or religious who are unable to obtain food sufficient for a healthy life.

It is evident that the chief problem of to-day is to balance fairly the demands of the individual and of his environment. Individual progress and improvement of environment must go on simultaneously, and, as I have pointed out, the formula of the relation of individual human life to environment must be different from that which applies to irrational animals. Man not only modifies, but to a large extent makes, his own environment ; and all experience shows that an active and strong mind, imbued with high ideals of life and duty, can rise above even degrading social conditions. In the same way groups of men and women or communities

can make, or at least profoundly modify, their environments, and as individuals need ideals at which to aim, so also societies require to look beyond the mere demands of to-day or even of to-morrow, and to plan their organisation in such a manner as will conduce to the healthy development of the great masses of the people. In short, reasonable socialism approximates very closely to altruistic individualism, and we shall see that in the organisation of industry both are indispensable factors.

A distinguished writer in the department of natural history has said : “ Any new set of conditions occurring to an animal which renders its food and safety very easily attained, seems to lead as a rule to degeneration—just as an active, healthy man sometimes degenerates when he becomes suddenly possessed of a fortune ; or as Rome degenerated when possessed of the riches of the ancient world. The habit of parasitism clearly acts upon animal organisation in this way. Let the parasitic life once be secured, and away go legs, jaws, eyes and ears ; the active, highly-gifted crab, insect, or annelid may become a mere sac, absorbing nourishment and laying eggs.”¹ What is true of the lower animal organisms is true of the human race and of human society. Human parasites very often become mere sacs for absorbing nourishment and propagating their species, although Nature not infrequently kindly deprives them of the latter power, and they tend to disappear. Consequently, any society which contains a large proportion of such parasites must be in an unhealthy condition, economically and socially. Even from a personal point of view all experience shows that any arrangement which secures food to the individual without the expenditure of work of some kind is

¹ Professor E. Ray Lankester, *Degeneration*, p. 33.

injurious. To be socially efficient the work must be such as is not only for the good of the individual, but also of the community of which he forms a part.

The economic position of persons who are mere consumers is not understood by many who speak and write about them, and who generally consider their extravagances are to the advantage of trade. A good many years ago the late Professor Cairnes, in his book on *Some Leading Principles of Political Economy*, stated that position, and it has never been challenged or contradicted by any economist whose opinion was valuable. It was as follows : "That useful function, which some profound writers fancy they discover in the abundant expenditure of the idle rich, turns out to be a sheer illusion. Political economy furnishes no such palliation of unmitigated selfishness. Not that I would breathe a word against the sacredness of contracts. But I think it important, on moral no less than on economic grounds, to insist upon this, that no public benefit of any kind arises from the existence of an idle rich class. The wealth accumulated by their ancestors and others on their behalf, where it is employed as capital, no doubt helps to sustain industry ; but what they consume in luxury and idleness is not capital, and helps to sustain nothing but their own unprofitable lives. By all means they must have their rents and interest, as it is written in the bond ; but let them take their proper places as drones in the hive, gorging at a feast to which they have contributed nothing."

From a scientific point of view, and therefore from a moral point of view, no man or woman, unless physically or mentally disabled, has any right to remain a member of a community unless he or she is labouring in some way or other for the common good. In every

organised society, therefore, there can be no rights apart from duties. Every man must find his place and do his best to fill it, for such a society can only exist in a healthy condition when its members feel that they depend upon one another, and that it is as essential for the consumer to produce as it is for the producer to consume.

It follows directly from what has been said that a nation's prosperity is only laid on sound and enduring foundations in exact proportion to the degree in which all its members are doing work which is useful—in the true and wide sense of this term—to the community, and that when large numbers are allowed to prey upon it, there must inevitably be poverty, discontent and degradation.

When a living organism is in healthy correspondence with its environment it continues to live and thrive. When the environment changes, it must adjust itself to the simultaneous and successive changes. Degeneration may arise, as we have seen, through parasites absorbing its life nurture. It may also be produced through a want of correspondence with its environment. Death results from a failure of some part of the organism which breaks the correspondence with some part of the environment. Herbert Spencer has stated the causes of death in the following biological terms: "Death by natural decay occurs because in old age the relations between assimilation, oxidation, and genesis of force going on in the organism gradually fall out of correspondence with the relations between oxygen and food and absorption of heat by the environment. Death from disease arises either when the organism is congenitally defective in its power to balance the ordinary external actions by the ordinary

internal actions, or when there has taken place some unusual external action to which there was no answering internal action. Death by accident implies some neighbouring mechanical changes, of which the causes are either unnoticed from inattention, or are so intricate that their results cannot be foreseen, and consequently certain relations in the organism are not adjusted to the relations in the environment.”¹

All these causes apply equally to human beings and to human society. It is necessary that the individuals should be placed under conditions which allow a healthy life, for if these be denied there is degeneration and ultimately death. Hence the reasonableness of the demand of the workers for at least a “living wage,” moderate hours, healthy conditions of work, and opportunities for recreation and enjoyment. A study of the history of nations shows that the analogues of the causes mentioned by Spencer have all been at work in those which have degenerated or disappeared, and as in individuals, so in communities what are sometimes called “mysterious dispensations” are wholly to be accounted for by neglect of the conditions of healthy individual and national existence.

Mutual dependence of parts is that which initiates and guides organisation of every kind, whether ^{organisation} of a biological or sociological nature.² A study of life, from the undifferentiated aggregate of protoplasm to the perfect man, shows a gradual change from the structureless mass to a highly complicated organism. The proper evolution of this organism is only possible by the dependence of each upon all and of all upon each, and as the organisation extends, the

¹ *Principles of Biology*, vol. i. p. 88.

² Cf. Herbert Spencer, *The Study of Sociology*, chap. xiv.

appliances for carrying on the intercourse with the various parts must become more and more involved. The same is obviously true of social organisation.

It is long since Plato taught that organic unity with one's self, body and soul, is essential to the well-being, the rightness or goodness or justice of the individual, of the microcosm ; and further, that the same ideal supplies the true definition of the well-being of the macrocosm, of the social organism, the State. Modern economists and politicians are beginning to perceive that at the bottom of all economic investigation must lie the idea of an adequate distribution of wealth for the maintenance and evolution of society, and further, that this distribution requires the intervention of the State at every turn. Dr. Ingram has expressed the opinion that "it is indeed certain that industrial society will not permanently remain without a systematic organisation, and that the mere conflict of private interests will never produce a well-ordered commonwealth of labour."¹ He is, however, careful to point out that "the industrial reformation for which Western Europe groans and travails, and the advent of which is indicated by so many symptoms (though it will come only as the fruit of faithful and sustained effort), will be no isolated fact, but will form part of an applied art of life, modifying our whole environment, affecting our whole culture, and regulating our whole conduct—in a word, directing all our resources to the one great end of the conservation and development of Humanity."

When we speak of the State as an organism, and infer from this that it must obey the laws of organic growth, we must remember the conditions under which the growth takes place, and not push the biological

¹ *History of Political Economy*, p. 244.

analogy too far, as there are many limiting and modifying influences at work. The progress of knowledge and of the application of science to industrial operations has been the means of hastening the evolution of industry during the past century to an extent which was undreamt of by our ancestors, and possibly even greater developments await us in the future.

Moreover, this evolution is affected in a great many ways apart from individual action and the operation of free competition. Collective action by trade unions, which exclude the weaker workers, monopolies which practically abolish competition, legislation and administration which undertake to protect those who are not able to protect themselves and to secure proper sanitary and working conditions for all, have profoundly affected industrial development. On the other hand, combinations of various kinds, such as voluntary co-operation in its various forms, and the higher developments, of municipal and State co-operation, are gradually moulding the chief features of the industrial organisation of the future. After we have studied the various factors in the labour movement, we shall be in a better position to see the bearings of biological and physical analogies.

It may be objected that it is not desirable that competition of some kind or other should cease. Competition, it is said, is "the life of trade." Probably there is some truth in this, but it should be added that it is very often the death of one of the competitors, who is not necessarily the least fit from a social point of view. While agreeing with Herbert Spencer that "an unquestionable injury is done by agencies which undertake in a wholesale way to foster good-for-nothings, putting a stop to that process of elimination by which society

continually purifies itself," we must remember the elements introduced into the problems by the reasoning powers of man and by his capacity for moral action. What the blind struggle for existence does for the vegetable and the lower animal worlds—namely, the extermination of the unfit—must be brought about in the social world by the spread of knowledge and the due performance of social duties, which tend to produce a higher form of competition. No false sentimentalism should allow the race, as is unfortunately too much the case at present, to be propagated largely by the unfit, whose sterilisation is one of the most important, as it is probably the most difficult, of the problems which society has to face.

Indeed, it is no exaggeration to say that the most useful lesson which would be learned during the evolution of industry would be the necessity for more attention being paid to the population question, and to the conditions of healthy individual and national existence. This opens up many questions of a biological, physical, moral and economic nature, demanding very careful study.

While admitting that under present social and economic conditions there is a very serious population question, it has yet to be proved that under such conditions as I have indicated there would be any such question. It is probable there would be none, and that improved industrial organisation would gradually absorb all who were able to work, and the problem of the unemployed would ultimately solve itself, in a manner which I will explain further on.

Moreover, there can be little doubt that improved social conditions and intellectual and moral development would reduce the tendency to an undue increase

of population. This tendency would be still further reduced by the influence of an enlightened public opinion, and if necessary by legislation. As J. Stuart Mill pointed out, it is possible to imagine a stationary state in which social conditions were much better than those which at present exist. It will be, however, a long time before this arrives, but if in the interval it be insisted upon that each consumer shall also be a producer, the danger from over-population will not be great. In Britain especially, which draws its food supplies from all parts of the world, the increase in manufactures and transport is likely, in the future as in the past, to provide for the support of a larger population than is possible in a purely agricultural country. If there were a federation between Britain and her colonies, with practical free-trade, and with improved economic conditions, and more especially with free access to the land, the amount of production of all kinds might be very much increased, and the population question might be left to settle itself, subject to no influence save an enlightened public opinion and a determination that the selfishness of the individual should never be allowed to interfere with the welfare of the community.

We have seen that the study of physics throws light on many economic problems. In the same way a knowledge of biology is necessary to guide us in sociological investigations. For instance, it explains the true nature and limits of competition, and of the necessity for co-operation in different forms and for the division of labour. It indicates the functions of trade unions, and justifies the demand for a fair, or at least a minimum, rate of wages. It imparts the knowledge necessary for the solution of the problems connected with the population question, and it shows the necessity for a thorough

change in our system of land tenure, so that the most may be made of our national resources in the interests of the people. We will glance at some of these questions later on, but their complete treatment would involve the rewriting of economics on a scientific basis. The importance of the land question should be specially noted, for, if our present system were continued, an improved industrial organisation would result chiefly in the owners of the land being able to command a greater amount of wealth for the use of their land.

In considering the possibilities of the conditions of the workers in the future, it must always be remembered that the economics of the future will in many respects be the reverse of those of the present. Every member of the community will be required to take a fair share of useful work, due regard being of course paid to the aged and infirm. The national resources of the country, including not only the surface of the land, but also its minerals, water, etc., will be held for the public advantage, and not for the purpose of enriching a fortunate few. Not only will the economic rent of land and minerals pass into the common exchequer, but also the very large amounts which at present go to private individuals, in the shape of increased revenue from land in consequence of social and industrial development, will go into the treasury either of the State or of the community. Moreover, immense amounts are at present spent on useless luxuries, and especially on strong drink, on equally useless sinecures, on large armaments, and on all the extravagances connected with a military system of government and a competitive system in commerce and industry. If the wealth at present squandered on these objects were rendered available for the common good, and if all were required to

take a fair share of useful work, there would be enough and to spare for all legitimate demands.

The conditions of healthy social development are, that there shall be no rights apart from duties, and that there shall be full opportunities for the physical, intellectual and moral welfare of every member of the community. Each must find his place in society, and recognise it, and be prepared to meet all the legitimate demands which it makes upon him. The greatest change in the organisation of the industry of the future will therefore be the spirit in which it is conducted. Instead of selfish greed and heartless competition there will be a feeling for the common good, and a recognition of mutual dependence, and this in itself will be sufficient to solve many of our social difficulties.

In order, however, that this new spirit may be made effective, it will be necessary to improve the machinery not only of legislation and general administration, but also that necessary for the management of industrial and commercial operations. In all our speculations and proposals for practical work it must be distinctly understood and remembered that no theory of labour, no philosophy of individual or national life can be considered satisfactory, and no legislation likely to be effective, unless it be founded on a clear and accurate comprehension of the meaning and scope of the fundamental truths which we have been considering. While recognising the evolutionary forces at work, we must not leave them to be influenced by accidents or to be used for merely selfish ends. We must consciously co-operate with them, and thus render the evolution easier. This, indeed, is the most important duty of citizenship, and its proper performance involves the careful study,

not only of scientific laws and technical details, but also of those ethical and economic principles which lie at the foundation of all real progress.

The formation of individual and national character is therefore of the greatest importance, for, as Herbert Spencer has pointed out, "the forms of government are valuable only where they are products of national character. No cunningly-devised political arrangements will of themselves do anything. No amount of knowledge respecting the uses of such arrangements will suffice. Nothing will suffice but the emotional nature to which such arrangements are adapted—a nature which, during progress, has evolved the arrangements. And where there is want of congruity between the nature and the arrangements—wherever the arrangements, suddenly established by revolution or pushed too far by reforming change, are of a higher type than the national character demands, there is always a lapse proportionate to the incongruity."¹ These remarks should be carefully remembered at the present time, when there is a tendency to place too much weight on the mere increase of knowledge and the improvement of material conditions. These are important, but they are not the only or even the chief means to real progress. Professor Huxley has done well to point out in his usual plain-spoken manner that "we may go on developing the intellectual side of life as far as we like, and we may confer . . . all the skill that teaching and instruction can give, but if there is not underneath all that outside form and superficial polish the firm fibre of healthy manhood and earnest desire, our labour is absolutely in vain." Not only is this true of intellectual but also of material progress, for history teaches us no plainer

¹ *The Study of Sociology*, p. 275.

lesson than that a nation which sinks into materialism is in its decline.

These, indeed, are no new truths, for thinkers of all ages have expressed them, although they are apt to be constantly forgotten. More than forty years ago Mr. Froude wrote: "In two things there is progress—progress in knowledge of the outward world, and progress in material wealth. This last, for the present, creates, perhaps, more evils than it relieves; but suppose this difficulty solved—suppose the wealth distributed, and every peasant living like a peer—what then? If this is all, one noble soul outweighs the whole of it. Let us follow knowledge to the outer circle of the universe—the eye will not be satisfied with seeing, nor the ear with hearing. Let us build our streets of gold, and they will hide as many aching hearts as hovels of straw. The well-being of mankind is not advanced a single step. Knowledge is power, and wealth is power; and harnessed, as in Plato's fable, to the chariot of the soul, and guided by wisdom, they may bear it through the circle of the stars; but left to their own guidance, or reined by a fool's hand, the wild horses may bring the poor fool to Phaeton's end, and set a world on fire."¹

By a process of intuition and as the result of experience, the workers are formulating their demands in a more or less coherent manner, and it must be admitted that these conform to a considerable extent to the physical and biological conditions which have been mentioned. It seems very reasonable to expect that their labour should receive sufficient reward to enable them with prudence and economy to maintain themselves and their families comfortably, and that without requiring their wives to take any part in factory or other

¹ *Short Studies on Great Subjects*, vol. i. p. 222.

similar work, and to make provision, either directly or indirectly, for their decent support after their labouring powers have failed ; that they should have healthy and convenient houses and workshops ; that they should be protected as far as possible from injury when following their occupations ; that their hours of labour should not be so long as to injure their health and prevent them from enjoying a reasonable amount of leisure ; and that proper facilities should be given for the useful employment of that leisure, either in their own homes or in the public institutions of various kinds which should form part of the organisation of every well-ordered community. In short, they are beginning to demand that their environments shall be of such a nature as to enable them to make the most of themselves physically, mentally and morally, and allow them fully and effectively to discharge their duties not only as workers but as citizens.

There is another demand which is growing, and which should be encouraged in every possible way, that is, that the work done shall be of some use, or beauty, or permanence. A great deal of the energy which is at present exerted is spent on work which has none of those qualities, and which does nothing to advance either personal or national welfare or character, but on the contrary has a demoralising effect on all concerned. Even when the product is useful, the extreme subdivision of labour causes it to lose all individuality. When it is recognised that the workshop is the chief practical school for the formation of character, the workers, having made their economic position more secure, may turn their attention to the nature and quality of their work, and insist on the performance of it under conditions which will allow the free play of individuality, without which there can be no real pleasure. We

will consider this subject farther on, and we shall see that, at least in artistic productions, a beginning has been made in this direction. We will also try to ascertain if the other demands which have been enumerated are likely to be met by the evolution of present movements. It will be admitted that any organisation which allowed them to be fully supplied would promote both individual and social welfare.

The future of machinery in the world of labour is a very large subject, and beyond our present ^{Future of} scope. Of this we may rest assured, that the ^{Machinery.} triumphs of science and industry are the most powerful factors of the age, and we cannot get rid of them even if we wished. They are essential not only for our individual but also for our national existence; for the struggle with Nature is too severe to allow us to dispense with any of the achievements of the human race. The problem before us is so to utilise them that they will not degrade any portion of the community, but will enable each one to live a healthy, noble life, and society to realise an order far beyond our highest ideals. The mechanical development of the nineteenth century was a very necessary step in the evolution of society. That of the twentieth will bring us still nearer to the conditions which prophets have foretold, of which poets have sung, and which are now almost within our grasp if we deliberately try to obtain them. We cannot bring back the old order of things in the industrial and commercial world, but we ought to welcome and understand the new, not as it has been forced upon a world animated by self-seeking and greed, but as it might be when regulated by the wisdom and generosity of those who prize justice as the first necessity with their fellow-men. Modern social con-

ditions are forcing the need for such an ideal upon all who look beneath the surface of our boasted progress.

A socialist writer has expressed the following opinions regarding the future of the use of machinery: "For the consolation of the artists I will say that I believe that a state of social order would probably lead at first to a great development of machinery for really useful purposes, because people will still be anxious about getting through the work necessary to holding society together; but that after a while they will find there is not so much work to do as they expected, and that then they will have leisure to reconsider the whole subject; and if it seems to them that a certain industry could be carried on more pleasantly as regards the worker, and more effectually as regards the goods, by using handwork rather than machinery, they will certainly get rid of their machinery, because it will now be possible for them to do so. It isn't possible now; we are not at liberty to do so; we are slaves to the monsters which we have created. And I have a kind of hope that the very elaboration of machinery in a society whose purpose is not the multiplication of labour, as it now is, but the carrying on of a pleasant life, as it would be under social order—that the elaboration of machinery will lead to the simplification of life, and so once more to the limitation of machinery."¹ In another chapter we will consider some of the conditions which may render this possible, and will allow machinery to be used for the purpose of saving labour, and not simply for saving wages, as it is very often at present.

If the engineers of the future strive to maintain the highest possible ideals of morality, science, work and

¹ William Morris, *Signs of Change*, p. 33.

scholarship, there are no reasons why, before the end of the twentieth century, they should not form a noble guild, girdling the earth both intellectually and materially, whose power and influence will lead mankind forward much more in the future than in the past, towards all that makes for prosperity, happiness and peace. In doing so, however, they must be guided not only by the scientific and industrial, but also the artistic and ethical spirit.

It is quite evident that the old political parties are disappearing, and that their places are being taken by others which profess to make the improvement of the social and economic conditions of the people their chief aim. Unfortunately the measures they propose and attempt to carry out are very often of an opportunist nature, and may delay the real solutions of the problems with which we are confronted. Hence the necessity for an education in the duties of Citizenship. As this develops and people are trained to think out the solutions of the problems, they will endeavour to become conscious helpers in the evolution of a nobler society than that of which they at present form part, and the highest ambition of every citizen will be to render efficient social service, to fill an honourable place in a well-organised community.

In the future, politicians will be divided into two classes having little or no political meaning, and differing, not so much in their professed objects, as in their methods. In the first class we shall have the so-called practical politicians who do not look far before them, who adjust their measures to meet the wants of to-day, and who endeavour to offend few prejudices or trench on few vested interests and privileges, but who never

consider the probable consequences of their actions. In the other class we shall have those who are able to read the signs of the times and to understand their tendencies, and who endeavour to form ideals at which they ought to aim. All their proposals will be framed with these ideals in view, and will lead in their direction, however distant their complete attainment may be. They will accept help from any quarter in the promotion of the objects they contemplate, but they will refuse to give any encouragement to measures which, however inviting they may seem at the time, tend to make the ultimate solution of the problems more difficult. They will recognise the nature of the struggle on which we are entering, and will see that, as the revolt at the end of the eighteenth century was the revolt of the middle classes from the dominion of a hereditary aristocracy which had ceased to be an aristocracy in spirit, so the revolt of to-day is that of the workers against capitalism; and that in the one case as in the other it means an upward movement in the development of the human race and an extension of human dignity and self-respect. They will, in short, be students of the science of politics, and will try to guide their actions by scientific principles, and they will therefore pay more attention to the lives of the community than to what are usually considered the rights of property. While taking care that labour is made as efficient as possible, their aim will not be simply the maximum amount of wealth but the maximum realisation of human welfare, and their ideal will be the attainment of a human life for every human being. They will carefully study the science of economics, but their postulates will be founded more on the requirements of the multitudinous poor than on the demands of the comfortable few. Their efforts will

thus bring about a reconciliation of individualism and collectivism. When they are discouraged by apparent want of success, or even defeated in their immediate objects, they will remember that the Law of the Conservation of Energy holds in politics as in physics, and that "when their names are blotted out, and their places know them no more, the energy of each social service they perform will remain, and also that each social disservice, whatever shape it may take, will remain, like the unending stream of one of Nature's forces."¹ Men imbued with such ideas and strengthened by the knowledge required to enable them to form correct opinions, will rise far above the ordinary haphazard methods of legislation, for as Herbert Spencer has pointed out, "Studying sociology scientifically leads to fairer appreciation of different parties, political, religious, and other. The conception initiated and developed by social science is at the same time radical and conservative—radical to a degree beyond anything which current radicalism conceives; conservative to a degree beyond anything conceived by present conservatism."² The result will ultimately be the emancipation of the great masses of the people and their preparation for the work of life with equal opportunities, and not simply the enriching of a limited class, as at present. To achieve this, however, we will require not mere party politicians, but men of the highest ability, not only prepared with thorough knowledge, but also fired with a spirit of stern aggressive enthusiasm; who, moreover, will recognise the truth of Carlyle's saying, that "universal democracy, whatever we may think of it, has declared itself as an inevitable fact of the days in which we live; and he who has any chance to instruct or lead

¹ John Morley, in a public speech.

² *The Study of Sociology*, chap. xvi.

in his days must begin by admitting that." The problem which politicians will place before themselves will not be, Given the mass of the workers living in a state of economic instability and uncertainty, how best to preserve the privileges of the fortunate few; but rather, Taking into account the whole resources of the nation, how are they to be utilised so that they may lead to the highest social welfare?

The solution of this problem requires the evolution of such an organisation of industry as will produce the maximum amount of wealth for the community, and at the same time ensure each member sufficient for a healthy existence. The study of these conditions has caused the rapid rise of a school of social economy, "in which the leading tenet is that the problem of to-day is distribution and not production, and that better distribution involves the intervention of the State at every turn. The disciples of this school believe that society is more than an aggregate of individuals, and see in it a living whole, which not only does control the lives of the component parts, but must do so if these parts are to remain healthy, and not as to some of them develop into unnatural growths drawing unduly on the common resources, and as to others of them wither up and die of inanition. Such a general control, they say, is natural, and while they agree that the members must have scope for free development as individuals, they say that such development takes place most healthily when it is kept in consistency with the equally real life of the common whole."¹ There are, of course, differences of opinion as to the manner in which the general control is to be exercised, but it is evident that it must be evolved not

¹ R. B. Haldane, M.P., Preface to *The Labour Movement*, by L. T. Hobhouse, M.A., p. xi.

by the haphazard conflict of selfish interests, but by the conscious will of the community being brought to bear upon the work and constructing fresh social and industrial forms to fit the new economic conditions ; for each change must not be of a speculative nature, but be guided in its line of movement by precedent changes of environment. These changes do not necessarily involve a rigid, cast-iron State organisation, but, as we shall see, they may be produced by an adequate system of co-operation, a great part of which may be of an unofficial nature. In fact I hope to show that an extension of the methods at present in operation is sufficient to bring about the desired results, and that the necessary control may be exercised in a great variety of ways.

It must always be distinctly remembered, while admitting that legislation may do a great deal for the improvement of the conditions of the workers, that the emancipation of labour is not so much an affair of legislation or agitation as of morals. All real social progress and reforms must have their origin in sound and thorough education. There must be an intellectual and moral revolution along with, if it does not precede, the social and industrial revolution, and this is required both by the workers and their employers. For the former, however, it is most important, for there is no power on earth that can emancipate men who are slaves to degrading passions or habits, or who are awanting in dignified self-respect. Contrariwise, there is no power on earth that can hold down working men whose habits are wholesome, who put their hearts and their brains into their work as well as their arms, and who meet equals and superiors alike with dignified self-reliance. A well-known French writer¹ has said : "The social

¹ Leroy-Beaulieu, *Revue des Deux Mondes*, December 1891.

problem is before all things a religious and moral problem. It is not only a question of stomachs, it is quite as much, and more perhaps, a spiritual question —a question of the soul. Social reform can only be accomplished by means of moral reform. In order to raise the life of the people we must raise the soul of the people. In order to reform society we must reform man—reform the rich, reform the poor, reform the workman, and reform the master, and give back to each of them what is at present lacking equally in each of them, a Christian spirit." It is evident, therefore, that without much legislative or administrative change, a great many of the evils from which society at present suffers would disappear if there were a more earnest cultivation of the individual sense of honourable obligation. Too often, however, social reformers have seemed to forget the economic basis necessary to make possible the reforms at which they were aiming.

It is evident that no system of industrial organisation can be in a stable condition which does not rest on a firm basis of social ethics. Both

^{Social and}
^{Industrial}
^{Ethics.} philosophy and science point out that, in tracing the history of the race, we can never come to anything which corresponds to the individual, and man is known only as a member of a society of some kind. We might as well regard the members of our own body as animals as suppose that man is man apart from humanity. All that makes him what he is, all his powers of body and mind, are derived from the society in which he lives, and his life takes its direction from the relation in which he stands to his social environment, and individual welfare can only reach its maximum when it is kept in consistency with the common whole.

The theory of evolution renders individualistic pre-

suppositions untenable, and shows that the progress of civilisation and the welfare of society depend on the extension of the sense of duty which each man owes to society at large. The morality of actions is therefore to be estimated from the effects which they have, not only on the individual, but also on the community of which he forms a part. Regard for the welfare of others is not a mere matter of sentiment or philanthropy, but a fundamental condition of social progress. Moralists are arriving at the same conclusions from other data. Professor Henry Jones has said: "Modern ethics has discovered, I can almost say for the first time, the relations which bind the individual to his fellows, and which make him, as he never was before, a member of a moral partnership which contains the living and the dead. He is now known as the heir of the achievements of his people, and the organ of its far-reaching purposes. He has not to confront the task of living a moral life in the weakness and nakedness of individualism, but the pulse and the power of the whole beat within him. If he has learnt for the first time that all men are his brethren, and that his duty is not to save himself but man, the sense of his privilege has received the same illimitable expansion. If it is his duty to save the world, the world is there to help him to perform it."¹

It must be admitted that hitherto the objects which have been kept in view by individuals and communities have been of an egoistic nature, although there is now a tendency towards those of an altruistic or social nature. The conflict between these two tendencies is, in fact, at the root of all the labour problems of the day, and, as I have said, it can be settled only by a constant appeal to moral principles. The data of the economics of the

¹ "Inaugural Address," Glasgow University, p. 10.

future will therefore differ from those of the past in regarding the true life of man, and not the mere production of material wealth, as the ideal to be kept in view ; and the whole will be consciously dominated by a social purpose, this purpose being the elevation of all men to similar prospects of true life in labour, for no social organism can be in a healthy condition when its members do not feel that they depend on one another. Mere improvement in the organisation of industry will therefore not be enough. What is wanted above all is a new spirit in economics, the spirit of mutual help, the sense of the common good. If all felt that their daily work should be directed not only to personal but also to social ends, and that idleness or anti-social work was a disgrace, our social and economic problems would soon disappear.

If therefore criticism be passed upon a particular form of individual organisation or of society generally, or even of any measure intended to affect that society, it must be founded on moral and not simply on economic grounds. The battle between individualism and socialism must be fought out mainly with ethical weapons. Socialists may rest assured that, while they may ignore economic principles, they cannot escape their consequences, and they must be prepared for the inevitable results of their social and economic arrangements. Individualists, on the other hand, must recognise that no organisation of industry or of society can endure which does not conform to moral principles and lead to the welfare of the whole community, and not simply to the accumulation of material wealth and the enrichment of a favoured few.

The science of economics requires to undergo the same kind of modification as that through which the

science of the steam-engine is passing, so that its conclusions may be made to agree with the conditions necessary for individual and social welfare. This has been done to a certain extent, although in an unsystematic manner, by Ruskin, who has tried to subordinate all his results to moral ends, and his methods are being followed somewhat unconsciously by economists. Ruskin has reminded us that "the disturbing elements in the social problem are not of the same nature as the constant ones: they alter the nature of the creature under examination the moment they are added; they operate, not mathematically, but chemically, introducing conditions which render all our previous knowledge unavailable. We have made learned experiments upon pure nitrogen, and have convinced ourselves that it is a very manageable gas; but behold, the thing which we have practically to deal with is its chloride, and this, the moment we touch it on our established principles, sends us and our apparatus through the ceiling."¹

The complete discussion of morality as a basis for economics is a very large subject, upon which there are extreme varieties of opinion, but it seems to me that the only solid method of procedure is that followed in all other departments of science, namely, the collection of facts connected with moral phenomena and sociology, as recorded in history. From these we must find out by careful analysis what lines of conduct have tended most to the advancement and ennoblement of society, and to the consequent general welfare of the race. In short, morality must be founded on a knowledge of the concrete constitution of human nature and of society, and to this all the economic laws which are applied to human life and conduct must be conformed. It is

¹ *Unto this Last*, p. 3.

only when the counsel given by economics and morals regarding any proposed course of action coincides, that the movement may be regarded as ratified and its grounds as verified. We will therefore proceed to consider some of the facts which may enable us to reach conclusions regarding the best forms of the organisation of industry, and which are the most important factors in the organisation of society.

CHAPTER III

EARLY CORPORATE AND STATE REGULATION OF INDUSTRY

UNDER the feudal system the social conditions of the people had many features of a socialistic ^{Introductory.} nature. In fact it has been said that "the socialistic purpose of feudal communities was to render property subservient to the feudal ideal, and to make and maintain a military system of which the king was head. A definite place in the complete system was given to each class of baron, tenant, serf, and cottager who had dwelling room in the land. It was a system of socialism more thorough than anything which has even been imagined by modern enthusiasts."¹ While we may decline to admit the truth of the last statement, it cannot be denied that, notwithstanding all the drawbacks of the system, the socialists have some grounds for speaking of the good old days of the feudal system with something more than approval, affording as they did opportunities for an open-air, natural life, accompanied, it might be, by few luxuries, but generally by a rude plenty and by possibilities for art, at least in its social applications, such as are not likely to be found under a system of selfish competition. Whatever industry was carried on was almost entirely for local use and not for profit, although in some special cases it

¹ Mackay, *The English Poor*, p. 33.

was for purposes of exchange of commodities not produced in the locality. "That village communities working on a co-operative plan existed in the Middle Ages, and that something resembling them existed in antiquity, is, as far as it goes, an evidence that industrial co-operation will return, though in a form adapted to its new surroundings. That a fraternal spirit prevailed where this plan was in operation, and that justice rather than force presided over the distribution of wealth, affords some evidence that this moral force will do a similar work in the modern world."¹

Professor Thorold Rogers was of opinion that "the ordinary hardships of human life were greater, and more general, six centuries ago than they are now. Life was briefer, old age came earlier, disease was more deadly, the risks of existence were more numerous. The race was smaller, weaker, more stunted. But the extremes of wealth and poverty were, by the fact of these common conditions, less widely separated. Above all things, what is now characteristic of human life, that one-half of the world does not know how the other half lives—a very moderate statement of the fact—was not true of early ages of English progress."²

There were, however, social and economic forces in operation which brought about the downfall of the feudal system, and by about the beginning of the fifteenth century it had practically broken down, as it was not capable of expanding in production. Landlords gradually turned their arable land into pasture, and thus required fewer labourers. Large numbers of men were thrown on the labour market, many of whom

¹ Professor John B. Clark, *The Philosophy of Wealth*, p. 175.

² *Work and Wages*, p. 80.

went to towns and engaged in trade and commerce, and thus brought about a complete change in the economic conditions of the country. Markets and fairs came into existence in order to facilitate the process of barter by the artisans or craftsmen for the agricultural produce from the rural districts. Industrial society thus gradually became divided into merchants and craftsmen, both of whom founded guilds for the furtherance of their own interests and the promotion of the welfare of the members.

It is true that the Saxons had associations or guilds for mutual help and for social and religious purposes, but it was only when the feudal system began to disintegrate that they attained anything like importance either socially or economically. The merchant guilds were founded chiefly for the purpose of obtaining and maintaining the privilege of the monopoly of carrying on trade in each town, as against the other inhabitants, and for the protection of liberty, property and trade against the violence of the neighbouring nobles, ecclesiastics, or from plundering marauders. On the Continent especially they attained to positions of great power. The qualification for admission to the merchant guilds was the possession of land of a certain value within the territory of the town ; this was sufficient to exclude the poorer freeman and the craftsman, and the gradual accumulation of riches led to an ever-increasing breach between the parties. Only those were permitted to remain in the guild who carried on wholesale trade, so that the members became virtually the rulers of the town, and were able to throw the whole of the taxes upon the craftsmen and the general body of the people. Hence arose many struggles, which led to modifications of the system of ^{Merchant Guilds.}

government, in which there was an admixture of merchants and craftsmen.

These struggles, of course, led to the strengthening of the union which existed between the craftsmen and

Craft Guilds. the poorer freemen, and, as the number of people divorced from the land increased, the craft guilds became very important organisations. Their development marks the transition period from the family to the guild system of industry. The first craft guilds to come into prominent notice were those of the weavers and fullers of woollen cloth, as they both took a specially active part in resisting the oppression of the old governing bodies. Clothing being one of the most general articles of manufacture, the industries mentioned would naturally be those which first became of importance, although the bakers seem to have been organised about the same time. As, however, baking long remained a family industry, the guild connected with it does not seem ever to have attained much importance.

The constitutions of the craft guilds were very similar to those of the merchant guilds, from which they were copied, and the chief provision in them was, that no one within the town or district should be allowed to follow the craft, unless he belonged to the guild with the object of promoting its interests. It must be admitted, however, that their regulations at least show some care for the interests of the consumers. In certain trades, for instance, work was forbidden after curfew, because it was impossible to work so neatly by night as by day. They recognised that the business of the manufacturer was to supply good and beautiful materials at honest prices, and that of the purveyor of agricultural produce to feed the people, and not to

squeeze money out of their necessities. Like many other institutions, however, they degenerated, and the craft guilds latterly became mere capitalist trading companies, and did all they could, by limiting production and by other means, to increase their own profit. To escape from this oppression, trade migrated to new districts, and the people followed the industries which had hitherto been the staple of the towns, consequently the prosperity of the older towns decreased. Further, it cannot be doubted that the craft guilds acted in a very arbitrary manner towards the poorer freemen, and as they themselves had been oppressed by the merchant guilds, so they in turn oppressed those who were outside their organisation.

Formal apprenticeships to crafts do not seem to have been customary till about the beginning of the fourteenth century, each member simply picking up the details of his craft as best he could, very often in his father's house. At this time, however, seven years were fixed as the term of apprenticeship necessary before setting up as a master. As trade increased, the richer craftsmen employed some of the poorer or younger members, and thus arose the new class of journeymen; but a master seldom had more than two journeymen and two apprentices. Special attention was paid to the training, both moral and technical, of the apprentices, and their skill was tested before they were admitted to membership.

The guilds made regulations for the prevention of fraud and for the encouragement of good workmanship, they prevented serious competition among the guild brothers, as being contrary to the spirit of good brotherhood, and they helped the members when in any domestic difficulties. In short, they stood in the same

relationship to their members as the head of a family did to his children and dependants, their fundamental principle being that each member should be responsible for all, as regards conduct, support, protection, and advancement, and that all should work, not solely for their own advantage, but chiefly for the reputation and good of the trade. The guilds were also responsible collectively to the State for the general conduct of their members, and to aid in this, each one had its patron saint; and if a craftsman stood apart, he lost the protection and incurred the displeasure of this saint, so that religion was made to play a very important part in the discipline of the guilds, and religious observances received much attention from the members.

The objects of the trade or craft guilds were excellent, and for a considerable time their administration was good; but as they increased in power the usual spirit of monopolists developed, and, like the merchant guilds, the use of their power and privileges very often degenerated, as I have remarked, into petty despotism. The history of their decay is obscure,¹ and there is considerable difference of opinion as to the objects and results of legislation, but there seems to have been no violent break in their continuity, as is sometimes stated. Slowly-acting economic causes simply left them stranded, and they either disappeared altogether, or they showed their existence only by occasional processions or a good deal of feasting.

Within the past few years, however, some of them have made an attempt to justify their continuance by doing something to advance technical education. A more thorough treatment, however, is necessary to bring them into harmony with the spirit of the times. In

¹ Cf. Ashley, *Economic History and Theory*, vol. i. part ii. p. 155.

France all guilds disappeared with other privileges in the storm of the Revolution. In Germany they died a lingering death, and their last remnants disappeared in 1869, when the North German Industrial Code was enacted.

The history of the various attempts at the State control of industry is a very interesting, State but at the same time a very long one, and Regulation. its full treatment quite beyond our present scope. Many useful lessons, however, may be learned from the conditions of trade under the feudal system and the merchant and craft guilds. So interwoven with all that concerned social and industrial life were their laws and customs, that they continued to influence the statute law of the country for several centuries. Moreover, the influence of the Canon Law on custom and legislation was very remarkable, and present tendencies seem to indicate a return to some of its requirements. Its economic teaching was really a branch of theology, and was a development in a modified environment of the principles to which the Church had given its sanction in earlier times. By the end of the fifteenth century it had been formed into a complete and systematic economic doctrine, which touched every side of the economic life of the time.

The Reformation destroyed this, as well as many other things, and the economic results of the action have never been fully studied, and in fact are only now beginning to be recognised. Like other catastrophic movements, while reforming much that was bad, it also swept away, somewhat thoughtlessly, much that was good, and put nothing in its place, thus illustrating the necessity for all social and economic changes being evolutionary and not revolutionary.

The reigns following the Reformation saw the enactment of a large body of positive law for the regulation of trade and industry which was often vexatious and routine in its nature. The remnants of the guild customs still fettered the development of manufactures, and the Law of Settlement prevented the free movement of workers from one part of the country to another. The external trade of the country was hampered by many restrictions which were made for the purpose of securing what was known as a favourable balance of trade, by making, if possible, the exports greater than the imports, and by endeavouring to procure the amount due for this excess in actual bullion. To effect this purpose various measures were put into force, such as high duties on foreign goods, drawbacks or bounties on exports, and monopolies with colonies.

Adam Smith remarked in 1776 that England was then blessed with free internal trade in all commodities except labour, and it was against this state of matters that he directed his efforts. He founded his theory of political economy on the assumption that industry should be free from Government interference, and that each man's self-interest must prove each man's best teacher. Competition was supposed to have its perfect way, and enlightened selfishness was taken to be the guide to economic conduct. His work was chiefly of a negative character, and his main object was to discredit and overthrow the economic system then prevalent, and to show the radical unfitness of the existing European governments to direct the industrial movement.

All Smith's conclusions, however, were limited by another assumption, which his successors have too often pushed aside, namely, that there is a natural order of things which corresponds with a divine order, and that

free competition between man and man was regulated by a higher Power, which in the end directed individual actions in the best interests of the whole community. If Smith had lived for another quarter of a century, the early days of the factory system would have shown him that his assumption was not justified. Since his time the development of machinery has profoundly altered the conditions, and made free competition practically impossible to large masses of the people, and hence rendered many of his conclusions inapplicable to the requirements of the times. He was, however, no believer in absolute *laissez-faire*, and never had any scruple about sacrificing liberty of contract when the sacrifice was demanded by the great moral end of government, the maintenance of just and human dealing between man and man. Indeed, Brentano thinks that Smith would have been a Socialist of the Chair to-day if he were alive. Without going quite so far as this, we may say that he would not be disposed to differ from the opinion of Dr. Ingram that "the final and fully normal treatment of the economic life of societies must be constituted on other and more lasting foundations than those which underlie his imposing construction."¹ We will in a future chapter shortly consider a few of the more important recent developments of the State control of industry, some of which are of a direct and others of an indirect nature; but it should be noted that the assumption of free competition and the action of the law of supply and demand were the guiding principles of politicians for many a day, and explained their opposition to any form of combination among the workers, and to any proposals for a systematic organisation of industry.

¹ *History of Political Economy*, p. 107.

CHAPTER IV

INDIVIDUAL INDUSTRY

IN no department of human life is the law of evolution so evident as in that of industry. A glance Introductory. at its history shows that it has proceeded from an indefinite incoherent homogeneity to a definite coherent heterogeneity, and that it includes a number of simultaneous movements. In this chapter we will note some of the most important points in the development of its simplest form, namely, that of industry carried on by individualistic methods.

The decay and practical disappearance of the guild Industrial system led to a long period of anarchy in all Evolution. industrial operations. Goods were produced on what might be called the domestic system, although some of the old guild rules continued to survive. The manufacturer then existed in the literal sense of that term, for the goods were produced either directly by his own hands or by those of his apprentices, and division of labour was not carried out to any extent. Each worker was generally able to perform all the operations required throughout the different stages of production. In those days there was neither capitalist nor proletaïre, and seldom either master or servant, for the apprentices really became members of the family. A system of petty industry obtained generally, based upon

the private property of the labourer in the means of production. In the country the peasant, freeman or serf followed agriculture, and owned the implements, and practically also the land he was allowed to use. In the towns the craftsman owned the tools and instruments of production, and there was a certain amount of division of labour among the members of his family. For instance, in spinning and weaving the wife and daughters carded and spun, while the father and sons wove the cloth. They were masters of their own labour, and effected their own exchange very often without the aid of a middleman.

There was a gradual progression from apprentice to journeyman, and from journeyman to master owning his tools, and all the workers were thoroughly trained in the secrets of their craft. Technical skill continued to be tested, as in the Middle Ages, by requiring the apprentice to present a masterpiece before his recognition as a journeyman. Very often the skilful journeyman married the daughter of the master, and thus trades were continued in families from generation to generation. In those days wages and prices were chiefly regulated by custom, which often became so fixed that it was looked upon as one of the physical laws of the universe. In short, the conditions of manufactures and of trade in the middle of last century were more like those of Greek and Roman civilisation twenty centuries before, than those of only one century afterwards.

The inventions of Arkwright, Hargreaves, and others in the department of textile industries, and above all the improvements made by James Watt on the steam-engine, changed all this, and led to the rapid development of the factory system, with all its attendant

advantages and disadvantages. They enormously cheapened production, but they reduced the workers to the position of mere hands, for souls and brains became of secondary importance.

At the same time they completely shifted the centre of magnitude of economic power, for the wealth of the manufacturers increased much faster than that of the landed aristocracy. This, again, led to serious political changes, such as the Reform Act of 1832 and the Repeal of the Corn Laws, which in reality were measures passed in the interests of the manufacturing and middle classes. The first gave them political power, the second enabled them to obtain cheap labour with which to extend their industrial conquests. And yet ordinary historians regard both as measures passed for the special benefit of the workers. The latter, however, are beginning to read history in a different manner.

The textile industries, from the uniformity of their operations, afforded peculiar opportunities for the development of the factory system, which, however, has extended to the other large industries of the country. That of iron, for instance, became concentrated in certain districts, and the mechanical improvements in its working, such as puddling, rolling, and hammering, gave a great impetus to the manufacture. The metallurgical improvements, such as the hot-blast, the Bessemer and the Siemens processes, have caused what are practically revolutions in the industry and the trades connected with it, such as engineering and shipbuilding. The application of mechanical contrivances to what were formerly manual trades and operations threatens to extinguish the individual workers, or at least to drive them all into large factories to turn out products as similar as pins, and to convert their bodies into supple-

ments of the machines they attend. Even agriculture falls to a very large extent under the factory system, and in new countries especially we find large tracts of land entirely cultivated by machinery. The result, no doubt, is cheaper food, but what does this matter to those who cannot find work to enable them to purchase it.

The evolution of the capitalist proceeded as rapidly as that of the system of which he was the moving spirit. To begin with, he was, as we have seen, generally a workman who had little beyond his tools and his skill and energy to depend upon, although in some cases he was backed up by men who had made money from land, banking, or commerce. With abundance of raw materials, cheap labour, large markets, and consequent enormous profits, his business extended rapidly and his species multiplied quickly. Managers, foremen, and intelligent workmen were eager for a share of the spoil, and many started factories or works of their own. This occasioned competition and the cutting down of profits. It also led to the improvement of mechanical appliances and to a great increase in the size of factories, a process which has been still further stimulated by the action of joint-stock companies. When the founder of a factory died, he usually left his business to his children, and they, not having the ability of their father, were very often under the necessity of engaging a manager. By and by the manager and other employees expected a share in the business, and thus gradually was evolved the joint-stock company.

At first the liability of the shareholders in such a company was unlimited, and they were responsible to their last farthing for its debts; but by and by the Limited Liability Acts, which confine the liability of the shareholders to the amount of the capital they have

invested, were passed into law, and they have been most important factors in the evolution of industry.

The action of the Limited Liability Acts had a great tendency to rapidly extinguish the individual manufacturers, for very often the companies sold their goods not only for no profit, but actually at a loss, which, however, being distributed over a large body of shareholders, was not much felt. The individual manufacturers were driven to combine among themselves and form other companies, and thus the process went on in increasing ratio, both as regards the number and magnitude of the concerns involved. Competition between companies became more and more severe, and the tendency is still towards further combination and concentration, until a practical monopoly can be obtained in different departments of trade and industry. Although working expenses are very much reduced, the benefit goes chiefly to the shareholders, and the public is squeezed to an enormous extent by prices being raised to suit the companies, and for a time vast fortunes are realised.

Gradually, however, other companies are started and the competition increases. Prices are cut down and wages lowered. No doubt the public obtain cheap commodities, if they have the money to purchase them, which they very often have not, and the result is that a residuum is always being rapidly produced. Not only is this true of the workers but also of the manufacturers. Small competitors are crushed out without pity or remorse. When the original shareholders think that they have got to about the length of their tether, the private limited liability company is converted into a public one, with a capital not calculated on the actual money invested, but on the profits made during the past few years; and thus there is imposed upon the people

a burden, which is supposed to be one of the sacred rights of property, and which is expected to continue so long as the earth endures.

During the process of evolution which we have sketched "the wastes of the competitive system are so enormous as to be awful; its operations are as cruel as the laws of Nature. In its onward march it crushes and grinds to powder human existences by the million; its rubbish has magnitude of tremendous proportions, and this rubbish consists of human beings with minds, hearts and souls,—men, good men often; women, and very frequently indeed innocent women, women with precious gifts which ought to be developed for themselves and others; and little children with all their possibilities."¹ Such a condition must necessarily keep society in a state of unstable equilibrium and raise many social problems of a very serious nature. Unlimited competition not only causes very great hardships during its existence, but it also inevitably leads to monopoly in some shape or form, with all its attendant economic and social evils.

A new development in the combinations of capital has taken place within recent years, and we have aggregations of companies under the names of "rings," "trusts," and "syndicates." Competing individuals or firms agree to form a combination to keep up prices, to eliminate useless labour, to diminish risk and control the output, and these institutions are becoming common all over the world. In this country we know a little about them, but our free-trade prevents them, except in unusual circumstances, from becoming either very numerous or very dangerous. In the United States of America, however, they have attained enormous magni-

¹ Professor Ely, *Socialism*, p. 254.

tude, and they are to be found in every department of trade and industry. Some few "trusts" have failed through internal disputes and other causes, but generally speaking they have greatly enriched their promoters and shareholders. One "trust" breeds another, and new combinations are being formed every week, and so the evolution proceeds; and in place of a field of free competition, with a fair opportunity for individual initiative in every direction, the economic system of the United States now presents a group of centralised governments, administered by great capitalists and combinations of capitalists, who absorb a large part of the profits of the industries of the people. It has been stated that "at the present time 31,000 men are reputed to possess one-half of the wealth upon which 65,000,000 persons depend for existence, and the greater part of the other half is owned by a small additional fraction of the population, leaving the vast numerical majority of the nation without any considerable stake in the country. By the latest estimates, based upon the returns of the census of 1890, 9 per cent of the population of the United States owns 71 per cent of the wealth of the country, leaving but 29 per cent to the remaining 91 per cent of the population; and 4074 persons or families, being the richest group among the 9 per cent mentioned, own one-fifth of the total wealth of the country, or nearly as much as the aggregate holdings of 91 per cent of the people."¹

The movement extends to productive businesses of all kinds, but it is most marked in those in which the articles are all of the same nature. In those departments in which personal skill is the main element there are still to be found private firms and individual workers,

¹ Edward Bellamy, *The Forum*, March 1894, p. 83.

but it cannot be doubted that with almost every one of them life is becoming harder and harder, and it is only a question of time when the majority will be swallowed up in the vortex of the large concerns, if present methods of trade and industry and above all ideals of life, continue to prevail. Fortunately, as we shall see farther on, in some departments, especially those of an artistic nature, these ideals are being changed.

It must be recognised, however, that in many cases the centralising movement is due not so much to voluntary action, as to a dominant, overmastering, irresistible tendency of the times ; and no matter how much private enterprise or legislation may modify details or guide the results, the movement is produced by forces which are inherent in the system, and are beyond the control of individuals or of governments. “It is the compelling force of anarchy in social production that turns the limitless perfectability of machinery under modern industry into a compulsory law by which every individualist capitalist must perfect his machinery more and more under penalty of ruin.”¹ The same force compels him to extend his field of production and to seek new markets for his goods, while, through extreme competition, his own workers and those dependent on them may not have enough to supply themselves with sufficient food and decent clothes.

The same tendency to concentration is to be observed in the work of distribution, and “universal providers” and co-operative organisations are gradually taking the place of the retail dealers. The struggle for existence is moreover showing itself in another way, for while a smaller proportion of persons is engaged in making a

¹ Engels, *Socialism, Utopian and Scientific*, p. 61.

vastly increased quantity of goods, a larger proportion is engaged in distributing them. This fact was most clearly brought out by the returns of the last census, which showed that the labour saved in agriculture and manufactures was rapidly flowing into the work of distribution. The retail prices have not been lowered in the same proportion as the cost of production, and the trade which is not overtaken by the large concerns is now struggled for by an increasing number of retail dealers, who live on the verge of bankruptcy in attempting to earn a precarious subsistence, and at the same time degrade the economic position of the workers who produce the goods they sell.

Whatever opinions we may hold as to the ultimate form of the organisation of industry which these movements will produce, one thing seems certain, namely, that it is a physical impossibility to restore to the people as individuals the government of their economic interests, at least in all that relates to the necessities of life. The only alternative to an economic oligarchy or plutocracy seems to be some form of collective control. The capitalists have in many cases all the powers of feudal nobles with none of their responsibilities, a state of affairs which cannot continue. It is not to be wondered if the workers and retailers should very often argue, "Well, if we have individualism now, if what we see around us is the result of free competition and freedom of contract, it is obvious that we must get rid of individualism, and that in the best interests of the community we must restrict and regulate the play of economic forces, so that they shall no longer grind us into the dust and bleed us for the benefit of the drones. If these be the fruits of unfettered individualism, we want the very opposite. Let State

Socialism, then, be our watchword."¹ This is a natural, but at the same time a hasty conclusion, and we will consider in the sequel how far it can be modified when other movements at present going on are taken into account.

A complete study of the social results of the modern individualistic system of industry would involve a review of the whole of the present economic conditions, and this is beyond our present plan ; but as it is impossible to understand the operation of our existing arrangements unless we observe their effects on society, it will be necessary to glance at a few of the most important social results. Some of the economic results will be mentioned later when speaking of the different agencies at work.

It has been said that the early years of the industrial revolution are the darkest in our nation's history, and that the industrial position we attained was bought with the price of blood. A study of the Parliamentary Reports show that this is no exaggeration. We must, however, refer to these and other records for details on such points. The following sketch of the social conditions of the workers fifty years ago, by the Secretary of the late Royal Commission on Labour, may be taken as a very moderate account of the state of affairs at that time :—“ Fifty years ago, according to all competent observers, England seemed to stand on the brink of a social revolution. The views that are expressed in the memoirs of the day are placed in a far more lurid light by foreign visitors like Engels, who came to study the conditions of labour here. Their works leave no room for doubt. Did any doubt remain, the numerous parliamentary papers and inquiries of the time would

Social
Results.

¹ *Westminster Review*, November 1894, p. 487.

bring conviction home to the most stubborn mind. Wages were low and paid in kind, under what is known as the truck system. In other words, the employer supplied inferior goods instead of money, and the workman could not deal at any but the employer's shops on pain of dismissal, which meant the workhouse or starvation ; the hours were long beyond belief, accidents were common, no regard was paid to human life, the dwellings were hovels unfit for human habitation. If the men were treated badly, women and children were treated worse. Cases are reported in which women, with only a blanket round them, were harnessed like beasts to trucks of coal underground ; children were let out in groups under overseers who brutally and shamefully illtreated them. There is no infamy, no misery that is now related of the unskilled sweated industries, that cannot be paralleled and outdone by the condition of the skilled labourer half a century or so ago. My learned and distinguished friend Dr. Baernreither, looking back at these times, impartially declares that the history of the West records perhaps no greater plundering of man by man than of the employed by the employers of that time."¹ Conditions have now very much improved, in the organised trades at least, but there are still many dark spots in our civilisation, and moreover many new features which add to the complexity of the problems.

Before touching on these, however, we may glance at what probably strikes superficial observers as the most remarkable result of the great development of machinery, namely, the improvements which have taken place in the conditions of the upper and middle classes. In house accommodation, in dress, in the delicacies of the table, in the facilities for travel and for intellectual

¹ Geoffrey Drage, *Eton and the Labour Question*, p. 9.

enjoyment, and in fact in everything which *should* add to the happiness of the human race, we are vastly ahead of every preceding generation. Before looking at the dark side of life as found under existing conditions, it may do some good to record the opinions of a healthy optimist who professes, after much experience and many labours, to be glad to have lived, and to be a resolute opponent of those who love dismal dialectics and drape the universe in the black hangings of pessimism. Sir Edwin Arnold has said : "Look at common modern existence as we see it, and note to what rich elaboration and large degrees of comfort it has come. I leave aside for the moment uncivilised nations, and the bygone struggles of our race, its wars and woes, its tyrannies and superstitions; all of which history has greatly exaggerated, not telling us of the contemporaneous contentments. I invite you briefly to contemplate the material side of an artisan's existence in your own Birmingham. Let alone the greatness of being an Englishman, and the supreme safety and liberty of his daily life, what king of old records ever fared so royally? What magician of fairy-tales ever owned so many slaves to bring him treasures and pleasures at a wish? Observe his dinner-board. Without being luxurious, the whole globe has played him serving-man to spread it. Russia gave the hemp, or India or South Carolina the cotton, for that cloth which his wife lays upon it. The Eastern islands placed there those condiments and spices which were once the secret relishes of the wealthy. Australian downs sent him frozen mutton or canned beef; the prairies of America meal for his biscuit and pudding; and if he will eat fruit, the orchards of Tasmania and the palm woods of the West Indies proffer delicious gifts, while the orange groves of Florida and

of the Hesperides cheapen for his use those 'golden apples' which dragons used to guard. His coffee comes from where jewelled humming-birds hang in the bowers of Brazil, or purple butterflies flutter amid the Javan mangroves. Great clipper ships, racing by night and day under clouds of canvas, convey to him his tea from China or Assam, or from the green Singhalese hills. The sugar which sweetens it was crushed from canes that waved by the Nile or the Orinoco; and the plating of the spoon with which he stirs it was dug for him from Mexican or Nevadan mines. The currants in his dumpling are a tribute from classic Greece, and his tinned salmon or kippered herring are taken from the seas and rivers of Canada or Norway. He may partake, if he will, of rice that ripened under the hot skies of Patna or Rangoon; of cocoa, that 'food of the gods,' plucked under the burning blue of the Equator. For his rasher of bacon, the hog-express runs daily with 10,000 grunting victims into Chicago; Dutch or Brittany hens have laid him his eggs, and Danish cows grazed the daisies of Elsinore to produce his cheese and butter. If he drinks beer, it is odds that Belgium and Bavaria have contributed to it the barley and the hops; and when he has finished eating, it will be the Mississippi flats or the gardens of the Antilles that fill for him his pipe with the comforting tobacco. He has fared, I say, at home as no Heliogabalus or Lucullus ever fared; and then, for a trifle, his daily newspaper puts at his command information from the whole globe, the freshness and fulness of which make the news-bearers of Augustus Cæsar, thronging hourly into Rome, ridiculous. At work, machinery of wonderful invention redeems his toil from servitude, and elevates it to an art. Is he fond of reading? There are free libraries

open to him, full of intellectual and imaginative wealth. Is he artistic? Galleries rich with beautiful paintings and statues are prepared for him. Has he children? They can be educated for next to nothing. Would he communicate with absent friends? His messengers pass in the Queen's livery, bearing his letters everywhere by sea and land; or in hour of urgency the Ariel of electricity will flash for him a message to the ends of the Kingdom at the price of a quart of small-beer. Steam shall carry him wherever he would go for a halfpenny a mile; and when he is ill the charitable institutions he has too often forgotten in health render him such succour as sick goddesses never got from *Æsculapius*, nor Ulysses at the white hands of Queen Helen. Does he encounter accident? For him as for all others the benignant science of our time, with the hypodermic syringe or a waft of chloroform, has abolished agony; while for dignity of citizenship, he may help, when election time comes, by his vote to sustain or to shake down the noblest empire ever built by genius and valour. Let fancy fill up the imperfect picture with those thousand helps and adornments that civilisation has brought even to lowly lives; and does it not seem stupid and ungrateful to say, as some go about saying, that such an existence, even if it were transitory, is not for itself distinctly worth possessing?"¹

Notwithstanding this roseate picture, it must be admitted that, although we have conquered Nature, we have failed to utilise its forces for the satisfaction of our highest wants. Wealth is too often used to gratify empty vanity or vaulting ambition, to both of which health and happiness are frequently sacrificed. All classes of the community are drawn into the race for

¹ Address at the Birmingham and Midland Institute, 10th October 1893.

wealth, position, honour or pleasure, and their lives become negations, for they have not truly lived, and the social instincts are almost entirely awanting among the great majority of them. The tendency to speculation, gambling and betting which is so common, has a most demoralising effect; and it now to a very large extent not only permeates business, but has also invaded what ought to be pleasures and recreations, which are too often made the means of keeping up the excitement of the gambler, and satisfying the greed of the gamester.

Comparatively few, moreover, yet seem to see that "the life is more than meat, and the body than raiment," and that happiness does not always connect itself with increase of wealth and conveniences. The successful business man who strains every effort in the pursuit of wealth, and who has scarcely a moment he can call leisure, cannot be considered nearly so happy as the working man who has steady employment, and who is able to spend several hours a day with his family at home, or in social enjoyment with them out of doors, or at some public entertainment. In fact, on this point the working-classes seem to have clearer ideas than those who are generally considered higher in the social scale, for (the best among them at any rate) having now obtained wages which enable them to subsist in comfort, are directing their attention to obtaining a decrease in the hours of labour rather than an increase in remuneration, for they believe that their well-being will be better furthered by leisure for mental improvement and recreation than by mere money. They are beginning to realise the truth of Ruskin's saying that "what is chiefly needed in England at the present day is to show the quantity of pleasure that may be obtained by a consistent, well-administered competence, modest, confessed, laborious.

We need examples of people who, leaving Heaven to decide whether they are to rise in the world, decide for themselves that they will be happy in it, and have resolved to seek—not greater wealth, but simpler pleasure; not higher fortune, but deeper felicity; making the first of possessions self-possession; and honouring themselves in the harmless pride and calm pursuits of peace.”¹

The questions connected with wages and hours of labour lead to many disputes and struggles. Long-continued and bitter strikes and lock-outs are too common, and they inflict great hardships, not only on those directly concerned, but also on many others who are not in any way responsible for them. Some of these struggles, especially those which have occurred in America, have almost taken the shape of civil war, and have caused considerable loss of life and great damage to property. Notwithstanding these fierce outbreaks, probably indeed in consequence of them, it is evident that there is a growing wish on the part of all interested to settle industrial disputes in a more rational manner; and Boards of Conciliation and Arbitration are being instituted in all parts of the country which promise useful results.

The development of machinery and of the applications of science have slowly but surely submerged the old landmarks in the social, economic and political worlds, so that the experience of the past is no certain guide for the future. Especially has the great development of facilities for communication and transport completely changed past conditions. It has shrunk the world to small dimensions, and has equalised economic conditions in all parts of it. Local advantages now count

¹ *Unto this Last*, p. 169.

for very little, and the most fertile land in England takes its value from that of the plains of India or the prairies of America.

The industrial revolution has been the means of converting individual production into social production, production for use either by the producer himself or those around him into production for exchange in all parts of the world. The minute system of division of labour has made the workers dependent very largely upon each other and on the capitalists who have been able to appropriate an undue share of the results of their work. The increasing efficiency of machines has displaced numerous workers, or rendered their positions highly unstable by the want of co-ordination between the form and amount of production and of exchange, which has caused alternate periods of great activity and great depression. Hence have arisen the social antagonisms which are at the root of many of the difficulties of the present day.

The struggle thus became universal, and produced not only increased competition, but wars for the markets of the world. The great European wars at the beginning of this century had their origin in the industrial revolution and in the necessity for obtaining outlets for the increased machine production, and almost every war that has taken place since may be traced either directly or indirectly to the same cause. Moreover, the intense competition engendered and the rush for riches completely altered the ideals of life, which, instead of being leisurely and enjoyable, became a mere scramble for existence and possession.

The difficulties of the problems are increased by the fact that there are practically no means of co-ordinating supply and demand. Every manufacturer produces what

he thinks some one will give him a good price for, and if many others select the same department there is a glut in the market. The workers are consequently thrown out of employment, and although prices fall, they are unable to purchase the goods they require, and hence the paradox of modern industry, that plenty is the cause of starvation. Power-looms weaving millions of yards of cotton cloth and bakeries sending forth tons of loaves only add to the misery, if the cloth cannot be brought to the bare backs and the bread to the empty stomachs. These industrial fluctuations have been most distinctive features of the industrial revolution, and one of the chief objects to be kept in view in all attempts at industrial organisation, or in any movement which has that for its ultimate object, is gradually to extinguish them. On this subject Professor Foxwell has said : "Uncertainty of employment is the root evil of the present industrial *régime* . . . The condition of a large mass of the people is so precarious, and the state of industry so unsettled, that social reforms, which must be gradual and slow, have no time to mature ; and the situation alters before the proper remedies can be considered and applied. It is on account of its indirect consequences, then, even more than as an immediate cause of evil, that uncertainty of employment seems to me to demand the first place in the attention of the friends of social progress and of the claims of labour."¹

While all recognise the great advantages of the industrial development to the upper and middle classes, there is a growing impression among the wage-earners that, notwithstanding the improvements in many directions which have taken place in their conditions, especially during the past fifty years, they have not

¹ *The Claims of Labour*, p. 186.

obtained a fair share of the increase in the value of their work. The wide extremes of riches and poverty are attracting the attention of many thoughtful men and women, and it is felt that the more equitable distribution of wealth rather than its increased production is the most pressing problem of the day. Almost all the schemes of social reformers and politicians of all parties have this in some shape or form for their ultimate object.

The most difficult problems which now confront us are, indeed, those connected with the demands of labour, and a survey of our great cities, our towns and rural districts, shows most distinctly that there is something radically wrong in our present system. In many parts of our cities and towns we find all the evils caused by overcrowding and bad sanitation, and the degenerate state of health and morals arising from these and from poverty. Many persons of all ages can find no employment, and many are unfit for employment. Unhealthy, untrained, undisciplined, there seems to be no place for them on this earth.

In the rural districts very often conditions are not much better. Long ago Lord Beaconsfield, who was a very keen observer, and, at that time at least, a very sympathetic student of social problems, drew in *Sybil* a picture of the condition of the rural population. "Remember," he said, "what they once were, the freest, the bravest, the best natured, and the best looking, the happiest and the most religious race upon the surface of this globe. And think of them now, with all their crimes and their slavish sufferings ; their soured spirits and their stunted forms ; their lives without enjoyment and their deaths without hope."

If we examined the sweating and the pauperism which are too common, and the circumstances under which

large numbers of the population are born and brought up, we would have good reason for doubting the stability of our national fabric. Apart altogether from poverty, the conditions of many of our modern industries and of trade and commerce are generating a state of mental and physical health which makes rational conduct practically impossible. No doubt the death-rate over the country has very much diminished owing to the advance of medical skill, but the infant mortality is still very high. In some parts of the country as much as between 40 and 50 per cent of all the deaths that occur are those of children under five years of age, a state of matters which is a disgrace to our civilisation. Do our social reformers and legislators ever consider all that is involved in this statement, and what it means physically, economically, and morally?

One of the most distressing features of our present organisation is the position occupied by women and children with regard to labour. One of the chief social dangers of the age is the effect of industrial work upon the motherhood of the race, for national welfare is impossible unless it is laid on a firm physical foundation. It has been truly said that a great part of "the secret of England's industrial greatness is in her command of a practically unlimited supply of the cheap labour of her women and her girls. Their lives are minted out for money. Like the vision of the king who saw a golden and silver statue, the feet of which were of iron and clay, so does this magnificent industrial prosperity of commercial England, concerning which we make our boast, dazzle the world with the radiance of its fabulous wealth ; but if we look below and seek to see that on which the costly fabric rests—behold ! its foundations are laid in the sordid misery of creeping

millions, in the darkness of unending toil, in the hopelessness of unavailing sorrow.”¹

A study of the results of our individualistic system of industry and trade on education and religion would be most interesting, but at present we cannot enter upon it. It may be noted, however, that education has become chiefly a means of sharpening the tools in the ever-increasing competition of the world, and religion to a large extent simply a passport of respectability or a sedative for uneasy consciences. Even a superficial survey of the history of nations shows us that the state of morality among a people has depended to a very large extent upon their economic and social conditions. The pirates of the Middle Ages founded masses and charitable institutions with the one hand, and robbed and sacked remorselessly with the other. “God’s friend and all the world’s enemy” was their audacious motto, and it is one which at the present day might be adopted by many who have the reputation of being good Christians, and who are chief supporters of the churches and of the various philanthropic institutions, which have come to be looked upon as necessary parts of our existing civilisation.

Probably the majority of philosophers would say that virtue, not happiness, should be the object of life, and that the state of any society should be measured by the amount of the former which is found among its members, not of the latter. We need not discuss the philosophical aspect of the subject at present, but there can be little doubt that all desire happiness, and moreover, that many believe that if virtue abounded, happiness would be much more common than it is.

If we try to ascertain whether the amount of human

¹ Lady Dilke, *Forinightly Review*, Oct. 1893, p. 507.

happiness has been increased by the development of machinery and of modern industry, a little observation leads us very much to doubt if this is the case. The machines seem to have become our masters, and most men and a great many women are the slaves of trade and industry. Even the richest and most powerful confess that they lead miserable lives on account of the worry and vexation to which they are subjected, while the great body of the middle classes is engaged in a struggle which leaves them little time or inclination for intellectual enjoyment or healthful recreation. On the other hand, the majority of the working-classes feel that their economic position is so unstable and their future so uncertain, that they have little real enjoyment of life.

The source of all real happiness is unselfish devotion to the welfare of the community, but it is idle preaching the duty of unselfishness to those whose whole efforts are required to keep their bodies and souls together. It is therefore evident, both from an economic and a moral point of view, that the individualist system of industry, by itself, is not sufficient to bring about a stable social structure; and we shall now proceed to consider those agencies that are likely to modify it in the direction of the ideals which we have indicated.

CHAPTER V

TRADE UNIONS

THE sudden change in industrial arrangements brought about by the development of machinery, ^{Introductory} combined with the greed of employers, led to very great hardships among the workers and to social conditions which were a disgrace to our civilisation. Public opinion demanded some form of protective law, and this took the shape of a long series of enactments known as the Factory Acts. They started the debate, which may be said to be still in progress, as to the extent to which it is wise in the Legislature to interfere for moral ends with the freedom of individual action. Before these Acts were passed, the workers, by means of combinations, had taken steps for their own protection, but under existing restrictions their efforts were not very effective. The discussion which took place regarding the Factory Acts gave a great impetus to the formation of these combinations.

Trade unionism is the assertion of the principle that men have common interests, not only in their particular trades, but also through every department of life, and that it is their duty to help each other in difficulty, and to defend each other when in danger, in short, that individual advancement is only good when it does not hurt the general welfare. As has been pointed out in a

recent very able book,¹ "the effects of trade unionism upon the conditions of labour and upon industrial organisation and progress are so governed by the infinite technical variety of our productive processes, that they vary from industry to industry, and even from trade to trade, and the economic moral varies with them." Our space, therefore, will not allow us to consider all the functions of trade unions or their economic results. All we can do is to indicate some of their most important features and the place they hold in industrial organisation. It has been truly said that the trade union is the public school of the working man, and those who are studying social and industrial problems, if they are to be of any service, must in the first place know what the working man has already done to help himself.

A brief outline of the history of trade unions will form a useful introduction to the subject. In ^{Development} my opinion the theory laid down by Brentano, ^{of Trade} ^{Unions.} that the trade unions are the direct and lineal descendants of the old craft guilds, is not one which can be upheld by facts. Trade unions are associations of wage-earners for the purpose of maintaining and improving the conditions of their own employment, and they have existed in England in a more or less rudimentary form for nearly two centuries. This is a wholly different kind of association from that of the old guilds, and there is no evidence of any durable and independent combinations of wage-earners against their employers during the Middle Ages.

Laws, however, were passed at an earlier date, prohibiting the combination of workmen or of employers for the purpose of obtaining an undue advantage. A

¹ Sydney and Beatrice Webb, *The History of Trade Unionism*, Preface.

statute of the time of Edward I. stamped as conspirators "all who do confeder or bind themselves by oath, covenant, or other alliance, as relates or extends to combinations or conspiracies of workmen or other persons, to obtain an advance of, or fix the rate of wages, or to lessen or alter the hours or duration of the time of working, or to decrease the quantity of work, or to control or regulate the mode of carrying on any manufacture, trade, or business, or the management thereof; or to combinations or conspiracies of masters, manufacturers, or other persons, to lower or fix the rate of wages, or to alter or increase the hours or duration of the time of working, or to increase the quantity of work, or to regulate or control the mode of carrying on any manufacture, trade, or business, or the management thereof, or to oblige workmen to enter into work."

During succeeding years a considerable number of other enactments were passed, showing that legislation had not been able to effect its purpose, and that combinations of some kind or other, although with no settled objects, were attempted both by workers and employers. Trade unions had not their origin in the factory system, nor in the introduction of steam-engines, but existed at least half a century earlier than these. They were, in fact, the results of the reaction against the unlimited application of freedom, consequent upon the break-up of the mediæval doctrines of State regulation and the practice of the guilds. At the same time, the social and economic conditions brought about by the industrial revolution towards the end of last century led to their development as a means of self-protection on the part of the workers. Something was done to improve the laws referring to Friendly Societies, and at

the beginning of this century the first Factory Act was passed. It was, however, very imperfect and had little effect.

Gradually the public conscience was roused, and after a series of inquiries by Government, from 1817 till 1824, the Combination Laws were repealed in 1825. The liberty which was given, however, was of a very limited nature, for the law still forbade all workmen's associations, except those for the purpose of obtaining such amount of wages as would be fair remuneration. The workers were at liberty to meet and take steps to promote their own welfare so long as they did not resort to violence, threats, intimidation, or force; and this was a great step in advance, which they were not slow to utilise. The laws of master and servant, however, still remained, and were sometimes enforced with severity.

The progress made by trade unions during the first half of the century was comparatively small; but during the latter half, and especially during the past twenty-five years, a great change has taken place in the spirit of labour legislation, and many of the old laws have been repealed. It was not until 1875, after persistent efforts of nearly one hundred years, that the last of the old labour laws, together with the Master and Servant Acts, were wholly repealed. At the same time the Conspiracy Laws, in so far as they applied to labour disputes, were abolished. In 1871 the Trade Union Act was passed, and trade unions were accorded the protection of the law, and since that time several amending Acts have been passed. The workers have now liberty to act either individually or collectively for their mutual advantage, limited only by the restrictions of the common law; and they have taken advantage

of this liberty to make demands on their employers, many of which have been granted, with the result that the economic and social positions of the members of the trade unions, at least, have been greatly improved.

It ought to be noted that all professions are more or less trade unions; and although the entrance to most of them is by an examination, there cannot be the slightest doubt that what goes by the name of professional etiquette is very often as oppressive to some of the members as any of the regulations of trade unions. The common aim is to settle the general conditions of work and the remuneration to be paid for it.

A little more charity would be shown in discussing the proceedings of trade unions if it were only remembered, as Professor Jevons pointed out, that "their economic errors are after all not worse than those which pervaded the commercial, if not the governing classes, a generation or two ago. One result which clearly emerges from a calm review is that all classes of society are trade unionists at heart, and differ chiefly in the boldness, ability, and secrecy with which they push their respective interests."¹

The chief object of trade unions is to obtain for their members a general improvement in their economic conditions. They try to attain this

by endeavouring to raise their wages and reduce their working hours, by obtaining improved sanitary conditions and greater security for life and limb, and by defending individual workers from arbitrary and unjust treatment by their employers. The influence and funds of the unions are used for the

¹ *The State in Relation to Labour*, Preface.

attainment of these ends, and for the support of those members who cannot obtain employment except on terms incompatible with the general policy of the unions.

In addition to their chief object, the unions frequently spend part of their funds on provident benefits, although some, more especially those of recent origin and connected with the unskilled trades, are intended to act simply as fighting machines, and therefore do not encumber themselves with any arrangements which would render them less efficient for this purpose or would tend to render them over-cautious. The best established unions, however, endeavour to make their members independent of private charity by providing for all the common misfortunes of life. They give sick, accident, superannuation and funeral benefits, as well as out-of-work pay for those who, through no fault of their own, cannot find employment; all this, of course, tends to improve the social and economic conditions of the workers.

In recent years, moreover, there has been a new development which is known by the name of the "New Unionism," of which the chief characteristics are a marked tendency towards collectivism in some shape or other, and the wish to use the unions strictly as fighting machines unencumbered with friendly benefits. It had its origin in the great strikes of dock, gas and other unskilled workers in 1889-90, and its leaders "sought to bring into the ranks of existing organisations—the Trade Union, the Municipality or the State—great masses of unorganised workers who had hitherto been either absolutely outside the pale, or inert elements within it. They aimed, not at superseding existing social structures, but at capturing them all in the

interests of the wage-earners. Above all, they sought to teach the great masses of undisciplined workers how to apply their newly-acquired political power so as to obtain, in a perfectly constitutional manner, whatever changes in legislation or administration they desired.”¹ Their relations to sick and other benefits are explained by John Burns² in the following sentences:—“Their reckless assumption of the duties and responsibilities that only the State or whole community can discharge, in the nature of sick and superannuation benefits, at the instance of the middle class, is crushing out the larger unions by taxing their members to an unbearable extent. This so cripples them that the fear of being unable to discharge their friendly society liabilities often makes them submit to encroachments by the masters without protest. The result of this is that all of them have ceased to be unions for maintaining the rights of labour, and have degenerated into mere middle and upper class rate-reducing institutions.”

In short, the New Unionism is socialistic in its tendencies, while the Old is individualistic or at least sectional. It is impossible as yet to determine to what extent and in what way trade unionism has been permanently affected by the new development, but in this as in other labour movements it will probably be found that both tendencies are necessary for the complete solution of the problems of labour. Especially is it true that “the generous aid from trade to trade, the pathetic attempts to form general unions, the constant aspirations after universal federation, all testify to the reality and force of this instructive solidarity. The collectivist faith of the ‘New Union-

¹ S. and B. Webb, *The History of Trade Unionism*, p. 404.

² Article in *Justice*, 3rd September 1887.

ism' is only another manifestation of the same deep-rooted belief in the essential brotherhood of labour."¹

There can be little doubt that wisely-guided trade unions are powerful agencies for good. They are not needed by men of great abilities or high economic value, but to average men they are absolutely necessary for their protection from the unrestrained selfishness of individualist capitalists, or combinations of capitalists. This they do by removing disadvantages under which the great mass of working men suffer if they attempt to act individually for the purpose of improving their economic conditions, for it is altogether a false assumption that labour is a commodity which can be bought and sold like other commodities. The welfare, nay, even the existence of the individual, may be involved in the price of the commodity. Capitalists and employers will generally endeavour to make their purchases of it as cheaply as they can, and the price which is paid for it in any industry will depend largely on the power of combination possessed by the workers, for individually they are at a great disadvantage compared with the employers. Starvation of themselves and their families on the one hand, and the offer of a low wage on the other, will always lead to the acceptance of the latter. Thus the process of degradation and deterioration goes on, until at last they are displaced by others from among the crowd which is always waiting for employment. If both employers and workers have effective combinations, there may be a considerable range of prices, at any of which the equation of supply and demand may be satisfied, and the actual point within these limits at which the rate may be fixed will depend on the relative

¹ S. and B. Webb, *The History of Trade Unionism*. p. 477

resources of the opposing parties. Professor Marshall has remarked that "little but mischief, indeed, comes from a weak union, always ready to interfere, but seldom able to secure the faithful carrying out of an agreement to which its own officers have been a party. But a strong union, guided by able and far-seeing men who have a grave sense of responsibility, is found to enable a few minutes quiet conversation to settle innumerable petty disputes that in old times would have caused much delay and worry and loss of mutual good feeling. And, when the time comes for great changes in wages either way, the case is argued out by those who know exactly what are the real points of difficulty ; and who, though there must be in the background an appeal to force, will yet have recourse to industrial war only as a last resource."¹

The general policy of trade unions in their endeavours to cause an increase of wages is in some way to limit artificially the supply of labour. Their efforts in such a direction will have considerable effect if the commodity their trade helps to produce cannot be furnished in an alternative manner, or by means of mechanical appliances ; if they have the control of the supply of labour in their trade and district, which they can have only when those connected with the industry are well organised. If the commodity be one of the necessaries of life for which the demand is nearly constant, whatever the conditions of trade, and especially if the other classes of workers and employers be not in a position to secure an increased result for their labour and capital, the success of any strong combination of workers is certain to be considerable. Nevertheless it is evident that, without increased pro-

¹ *Economics of Industry* (1892), p. 397.

duction or greater economy and efficiency, a general rise of wages or return to all concerned is impossible. It is sometimes said that those occupations in which wages have risen most in England happen to be those in which there are no unions, and the instances quoted are generally domestic service and unskilled occupations requiring great physical strength. These instances, however, prove nothing against the efficacy of trade unions, for in the first the social, and in the second the physical conditions are generally sufficient to explain why a preference is given to other employments.

Professor Marshall has stated the arguments for and against trade unions in a very fair manner. While he is of opinion that the power of unions to raise wages by direct means is never great, and is never sufficient to contend successfully with the general economic forces of the age, when their drift is against a rise of wages, still he believes it is sufficient materially to benefit the worker, when it is so directed as to co-operate with and to strengthen those general agencies which are tending to improve his position morally and economically. It will only, he says, be so directed if the following conditions are satisfied. "Firstly, unions must aim at making business easy and certain ; and this is already done by formal and informal Boards of Conciliation in some trades, especially such as produce largely for foreign markets. Secondly, they must aim at raising the standard of life among the workers of the present and the coming generation by fostering habits of sobriety, honesty, independence and self-respect : this is done in different degrees by all unions ; and whatever influence they exert in this direction is cumulative. Thirdly, they must aid as many as possible of the rising generation to acquire industrial skill, and to join

the higher paid ranks of labour: this calls for some self-sacrifice, and is inconsistent with any attempt to raise very high the wages in skilled trades by making the entrance to them artificially difficult. Fourthly, they must strive to develop the great stores of business power and inventive resource that lie latent among the working-classes, so that, production being economical and efficient, the national dividend may be large; and that business power being cheap, and the share going as earnings of management being relatively small, that which remains for wages may be high. The training which unionists get from the management of union affairs, though highly beneficial to them as men and as citizens, is yet not exactly what is wanted for this end. But unions might do much towards it by undertaking particular contracts and even general business on their own accounts; by aiding and promoting all forms of co-operative enterprise, and especially such as open the greatest number of opportunities to men of natural business ability to find free scope for their constructive and originating faculties. Fifthly, they must be always specially careful to avoid action by which one class of workers inflicts a direct injury on others. Contests between unions contending for the same field of employment—as, for instance, between unions of shipwrights and carpenters, or plumbers and fitters—attract their full meed of attention; but more importance really attaches to the injuries which one trade inflicts on others by stinting the output of the raw material which they have to use, or by throwing them out of work through a strike in which they have no concern.”¹

The most important testimony to the economic value

¹ *Economics of Industry* (1892), p. 458.

of trade unions is that which is given by employers of labour, who now for the most part recognise their great utility. For instance, Mr. William Mather, M.P., writes:—"As an employer in one of the great staple trades, I have always held that we owe much of our prosperity in the manufacturing industries to trade combinations. They have not only formed sources of friendly and material help of a substantial kind to vast numbers of the working-classes during hard times, bodily sickness, and old age, but they have been great educational agencies on questions of trade and commerce. By their rules and regulations, which are simultaneously observed by masses of skilled men, the employers have been able to reckon with the forces of labour from time to time on sure and certain grounds. All employers have been treated alike: an equitable distribution of labour has been secured throughout all the staple industries at uniform rates of wages and hours, as between employers in defined districts. This element in manufacturing industries is of vital importance to employers. A spasmodic demand for labour at any price in times of 'roaring trade,' and a sudden fall to the lowest wage men would work for rather than starve in bad times—which non-unionists would ever have been subject to—could only have demoralised industry and created an unhealthy competition among employers. The cupidity and selfishness of some would have made it difficult even for just and generous employers to do right. Trade unionism has happily rendered all this impossible . . . These remarkable results of combination, however, do not exhaust the benefits that may be ascribed to trade unions. They have brought a double blessing in their course—stormy, unwise, and injurious as at times have been the struggles in which they have

engaged. In the main they have acted so wisely and so well, that not only have the working-classes of the country as a whole, unionists and non-unionists alike, obtained much higher wages, shorter hours, better protection from injury, and healthier workshops and factories, but the employers in every industry suited to the country have multiplied, and in the aggregate have immensely prospered, notwithstanding the ever-increasing development of like industries in those countries which formerly depended on Great Britain for their supplies. The excellence of our manufactures has also been immensely enhanced during the years when wages were going up and hours were being shortened through the influence of trade unions. Moreover, the labour cost of productions has diminished in proportion to the total cost of manufacture.”¹

The economic effects of trade unions cannot be measured by the extent and number of their apparent victories, for although they may have been defeated, the fight may have been justified by the results. A stubborn fight over a small reduction may be lost to the trade unionists, but still it may have prevented a very much larger reduction, for there can be no doubt that a well-organised combination among the workers makes the employers very careful in their action, and at least tends to cause the reduction to be gradual, and very often makes it smaller in amount than it would otherwise have been.

While we admit that trade unions and labour organisations generally are beneficial to those directly connected with them, we must not overlook their effects on those outside of them. The workmen who have been displaced by machinery, and whose skill has been

¹ *Daily News*, 7th May 1892. See also *Contemporary Review*, Nov. 1892.

rendered very nearly valueless, and the low-skilled and the unskilled labourers, find their positions more precarious in proportion to the increased regularity of the work which the trade unionists are able to secure. The effect of all organisation, in short, is, with the present system of industry and trade, to increase the number of the residuum. "Organise or starve," is the law of modern labour movements, and competition makes the elimination of the unfit a necessary means of preserving the existence of any industry. Even the rule stipulating for a minimum rate of wages has the same effect, for it prevents all but the very best men and women from being employed. The tendency is, when workers get beyond their prime, to displace them, and cause them to swell the ranks of the unemployed.

This brings us face to face with the most difficult part of the problem—that is, How to deal with the "unfit" in the industrial race? If humanity insists on a provision being made for them, does it also recognise the consequences of its action? The solution of this problem lies more in the field of social therapeutics than of economics, at least in the ordinary sense of this term, and this subject is receiving much attention at the present time.

Although in recent years more liberal views have begun to prevail, the action of trade unions is intended primarily to benefit only their own members, or at most those more or less directly connected with them, and little regard is paid either to the convenience or welfare of the community. Care must therefore be taken that no body of workers, who from exceptional circumstances find themselves in the possession of the power to do the public harm if all their demands are not conceded, be

allowed to act selfishly with impunity. Even those of a socialistic turn of mind deny the right of any section of the workers to take advantage of their position to unduly enrich themselves at the expense of the community, for no true democracy can permit any of its parts to dictate terms to all the others. It must be admitted that the rapid development of labour combinations, both in this and other countries, may possibly be accompanied by grave social dangers unless the members are imbued with a healthy, unselfish spirit which will enable them, while conserving their own interests, to remember that they are members of a community which has a right to expect that they will not enrich themselves at its expense, or make any arrangements which are to its disadvantage. To guard against this possibility, we ought to make a training in the life and duties of Citizenship an essential part of our national system of education.

The principles of trade unionism necessarily involve Combinations in practice a union or association of employers of Employers as well as of employed. Although the power of the trade unions has on the whole been exercised with prudence, and the workers have met their employers in a conciliatory and reasonable spirit, there can be no doubt that in some cases unreasonable demands have been made. In order to resist these effectively, and also to take common action in any emergency which might arise, the employers have formed combinations among themselves. On the whole this movement is also in the right direction, for when both sides are well-organised, it is found that a settlement is a comparatively easy matter; each knows the strength and resources of the other, and this prevents unreasonable demands from being made, and leads to an adjustment of the differences.

In order to facilitate such a settlement, there is a very strong movement at present in favour of Boards of Conciliation and Arbitration, composed of representatives of the parties concerned, to which all disputes would be referred, and which would thoroughly investigate their causes and suggest what is necessary for their prevention and settlement. Such Boards would thus act as connecting links between the employers and the workers, and would ultimately lead to a form of industrial co-operation by which all the problems of labour would be solved.

In order that these Boards may be effective, they must be backed up by the trade unions and by the combinations of employers, so that their decisions may be enforced with authority. We will consider some of the possibilities of these Boards in a future chapter.

In all ages the dominant class in a country has always profoundly affected legislation in its own favour. Until very recent times the government of Britain has been almost exclusively administered by wealthy landowners and successful traders, who did little to improve the condition of those who lived by labour. When we consider that, with the present state of the suffrage, if the workers clearly realised the extent of their own strength, and recognised that, were their power properly organised and combined, it would be overwhelming, their demands would either be peacefully granted by all governments, by whatever names they might call themselves, or were they refused, they could be extorted by force. We see at once how they might shape the institutions of the country to suit their own purposes.

Hence the necessity for all classes uniting in a common effort to guide legislation into proper channels, and thus securing that future legal enactments shall be based on grounds of equality in the administration of the civil rights of the people.

Professor Jevons pointed to the annual Trades Congresses as a proof of the advance which the trade unionists had made in the management of their own interests. He said that "instead of machine-breakers and midnight conspirators, the working men met as a parliament to discuss the means and ends of legislation, with dignity and propriety at least equal to that recently exhibited at St. Stephen's. No longer entirely devoted to the pet fallacies and interests of their order, their deliberations touch many of the most important social questions of the day. The more extensive the federations of trades which thus meet in peaceful conference, the more wide and generous must of necessity become their views."¹ It is doubtful, however, whether Professor Jevons would have approved of the advanced views expressed at recent Congresses, or of the manner in which the majority of the members seemed inclined to deal with the problems relating to property. It is evident that the socialists have captured the Congress, a fact which should be seriously considered by our legislators. If they do not lead the way to an improved industrial organisation, they may find themselves driven before a force which they are powerless to resist.

We often hear criticism of the methods adopted at Trades Congresses, and while admitting that these might be considerably improved, and that they would have more influence if they confined their resolutions to such steps as were possible in the near future, it

¹ *The State in Relation to Labour*, p. 126.

must be evident that the results of such Congresses are not to be measured by their direct practical work, but by the educational effect which they produce on the labour movement generally. Even as they are, they exercise very considerable direct influence on legislation, and many of the enactments relating to labour which have been passed in recent years have been due to their initiative and to the pressure which they were able to bring to bear on Parliament. Hence the necessity for a more general diffusion of economic knowledge and of acquaintance with civic duties.

CHAPTER VI

POSITION OF WOMEN

HENRIK IBSEN in one of his works remarks that "the social revolution which is impending in Europe Introductory. is chiefly concerned with the future of the workers and the women. It is for this that I hope and wait, and for this I will work with all my powers." No one who has studied social questions can deny the correctness of this opinion, or have failed to observe that the position of most women violates both the physical and biological conditions which we have shown to be necessary for healthy development. Many of them do no work of a useful kind, and many find employment under improper environments, and therefore under unhealthy conditions. All this is observed, and a considerable amount of sympathy expressed, and attempts are initiated to right the wrongs of women, but very often without much knowledge of the history and complexity of the problems involved, or of the delicacy of the social machine on which the experiments are made. The results are that not infrequently the evils are intensified instead of being lessened. The relations of women to the problems of labour require very careful attention from all social reformers, and especially from women themselves. At the present time we hear a great deal about the emancipation of women, but if their

education were what it ought to be, it would emancipate them from shallowness and ignorance, and not from anything that is truly womanly. In my opinion the problems connected with women can only be solved by giving them greater opportunities for industrial and professional careers, and equal weight with men in the councils of the nation, and thus enabling them to make their opinions effective.

Moreover, while it is very desirable that women should be afforded every opportunity of obtaining a good education, and being fitted for any occupation for which they are physically suited, still it must never be forgotten that they are all potential mothers, and that a considerable proportion of them will become actual mothers. While it is wrong to make marriage the chief aim of a woman's life, its possibility should never be overlooked, and nothing should be done which would unfit them for the duties and responsibilities of maternity. It is much more important that the race should be provided with good and capable mothers than that cotton cloth should be turned out at a farthing a yard less than that of our competitors—indeed, this is the most important condition for the highest economic efficiency. Professor Drummond has not exaggerated in expressing the opinion that “the great factor in the future evolution of society must, by the nature of things, by all the traditions of the world's past, and by all the facts of science, be the ascent of woman.” We will briefly look at some of the points which ought to be considered, although their complete study is far beyond our present plan.

The first question to be asked concerning any proposed course of training, either in theory or practice, intended for girls is, Are the conditions under which the work is to be done of

such a nature as to enable them to grow up healthy women? The object should be to give free play to all the bodily organs, so far as is consistent with the grace, beauty, and delicacy so essentially characteristic of the female type, and to the development of their intellectual powers in those directions in which women seem fitted to excel. So also in the choice of an occupation regard must always be had to the physical constitution of women, and to a certain extent to the effect of that occupation on their moral nature; for all will admit that there are certain kinds of work which may be necessary under present social conditions, but which women should not be expected to undertake, even although no great harm would result to them physically. Not only should heavy and disagreeable work be avoided, but also all such occupations as are specially trying to the nervous system, for women are so constituted as to be able to withstand less nervous strain than men. "To insist that reforms shall under no circumstances take account of the differences of sex, is to fight against indisputable facts which must, in the end, prove too strong for us. There is no danger to society in the recognition of equal human rights for both sexes, if we are also ready to recognise the divergence of their capabilities, for the relations of men and women to each other, their functions in the family and the State, must ultimately be determined, however ill it may please the more ardent female reformers, by the operation of natural laws."¹

On the general question of the education of women Professor Huxley has said: "So far from imposing artificial restrictions upon the acquirement of knowledge by women, throw every facility in their way. Let our

¹ Lady Dilke, *Women's Work*, Preface, p. vii.

Faustinas, if they will, toil through the whole round of

Juristerei und Medizin
Und leider! auch Philosophie.

Let us have 'sweet girl graduates' by all means. They will be none the less sweet for a little wisdom; and the 'golden hair' will not curl less gracefully outside the head by reason of there being brains within. Nay, if obvious practical difficulties can be overcome, let those women who feel inclined to do so descend into the gladiatorial arena of life, not merely in the guise of *retiariae* as heretofore, but as bold *sicariae*, breasting the open fray. Let them, if they so please, become merchants, barristers, politicians. Let them have a fair field, but let them understand, as the necessary correlative, that they are to have no favour. Let Nature alone sit high above the lists, 'rain influence and judge the prize.'¹

While this may be admitted, still, as I have already indicated, women should seek to develop their intelligence in fields where their emotional nature finds its most ample gratification, and should not enter into direct competition with men except when the conditions are equally favourable to all. They should rather seek to fully utilise both the bodily and mental energy of the men, so as to allow for the fuller development of their own.

These conditions are gradually being realised from the results of practical experience, and during the past few years great improvements have taken place in the industrial and professional position of women, and many occupations are now open to them which were formerly monopolised by men. Even the feeling against the association of young men and women in the work of the

¹ *Collected Works*, vol. iii. p. 72.

College or University is gradually disappearing, and it is being recognised that companionship of the sexes for purposes of study is far less likely to lead to bad results than intercourse for any other end. In some of the medical subjects, however, it is desirable that the classes should be separate, although this arises rather from the faults of the men than of the women. To the pure all things are pure, and to the true student of science the demonstrations of the class-room are looked upon from a strictly scientific point of view.

The professions are gradually opening their doors to women. In medicine, for example, there are now complete arrangements in different parts of the country for their education, and a considerable number have taken advantage of them and are now practising their profession with success. The subsidiary, although probably not less important, avocation of nursing is being greatly developed, and many women are now finding in it a useful sphere of work. While exceptional women will find in the practice of medicine congenial occupation, a very much larger number will regard nursing as a sphere of usefulness in which they will have opportunities for the application of all their best qualities.

In the department of teaching it almost looks as if women would soon monopolise the greater part of the elementary work and a large part of the higher. This seems to me to a certain extent a misfortune, for a manly type of character can be produced in scholars only by contact with men of the highest character. This, indeed, is of far more importance than the mere ability to impart a certain amount of useful information, which unfortunately is too often all that is sought for at present.

Even the exclusive professions of the Church and

Law are gradually opening their doors to women; and there can be little doubt that, if their influence were more felt within them, although not necessarily through the public administrations or practice, we should not only get a simplified and more human form of theology, but also better forms of religion and law than we have at present. If the services of women were utilised in both these professions, there would soon be an improvement in social conditions, for they would be able to mould public opinion and legislation to a very considerable extent, and as the improvement went on, women would not only be allowed to take part in the making of laws, but also in their administration in those departments of Government in which they are fitted to render efficient service.

In the literary profession women are under the same conditions as men, and their remuneration depends entirely on the quality of their work, and not at all on their sex. In fact, in certain departments of literature, and especially in novels and romances, they seem better fitted than men to produce the highest quality of work, as indeed is abundantly shown at the present time, many of our best and most prolific writers being women. In the different departments of art and music, and on the stage, improved facilities are now offered to women to fit them to take any position their abilities may enable them to fill, and not infrequently they command very high rates of remuneration.

In the newer professions connected with engineering and industry women have not made much progress, chiefly because the physical conditions under which they are carried on are not suitable. In some of the more artistic and scientific, however, a beginning has been made. In architecture, surveying, and in various departments of constructive art, women are finding

congenial occupations, while electrical engineering and its applications promise a wide field of activity. Many engineers employ women for drawing and calculations, and no doubt some of them will aspire to the more responsible positions.

In applied art and commerce and in many departments of the civil service women are gradually replacing men for the lighter occupations, while in industry this has been the case for a long time. In all these, improved public opinion, legislation, and combination among the workers themselves are gradually bettering their conditions, although some of them are still very far from what they ought to be.

The so-called domestic industries have always been the special field of women, and it is in these that we find the lowest depths of suffering and degradation, the alleviation of which is one of the most pressing problems of the day. This aspect of the question opens up many problems connected with social economics.

The position of women and children is inextricably bound up with the industrial problems which of Women's Work. which are considered civilised; and it is now being recognised that many of our social evils will not be cured until women are economically free, and this can only be when they are able to earn their living. The opinion that such a state of affairs will only increase the competition, severe enough at present, is a very shallow one, for if women were able to support themselves by their work, not only would they raise the average personal dividend in the world by increasing the amount of production without enlarging the number of consumers, but they would also strike at the root of the population question. Instead of getting married at

the earliest opportunity, they would wait until they were fairly certain that they were likely to improve or at least maintain their position, both socially and economically, and in many cases they would not marry at all. Consequently the supply of workers would tend to be limited, and the equilibrium between the numbers of the sexes, which has been disturbed by modern industrial conditions, would gradually be restored. The training of women is therefore not simply an educational question, but concerns the relations of labour and capital, and affects the theories both of the production and the distribution of wealth.

An interesting writer on economics has said: "The best economical state is, of course, one where there are no idle people, none who consume and do not produce, none who quit the world without at least replacing the value which they have destroyed. We are far removed from this state. And to mention only one of the drawbacks, it is a blot on even societies the most thrifty, that nearly one-half of their members are compelled by the force of public opinion, petty hindrances, and positive laws, to live the somewhat ignoble and unsatisfactory life of consumers, or to curtail their powers of producing wealth. I speak not of any professed trade union of recent birth and local character, but of that strong and universal trade union which is almost as old as the race, which has our earth for its domain, of which all men are the members, and from which most women are the sufferers. The one sex has appropriated the best remunerated and most enviable of employments, those which bring wealth and honour, and has permitted women to enter only a few professions offering paltry rewards. This is not the place to criticise the morality of this partially artificial separation; but it is fitting

here to deplore the waste of labour, the frittering away of excellent capabilities, the enforced idleness of so many fingers and brains that ought to be busy creators of wealth. As one contemplates these talents spilt on the ground, so to speak, it is almost unavoidable to carry away the idea that free-trade between nations, improvements in taxation, and a settlement of the economical questions which now float on the surface, may be of less moment in an economical point of view than the complete breaking down of those legal and social barriers, whether in the form of statutes or sneers, which prevent women from entering what professions they choose. Clear these barriers out of the way, and not only will there be a better distribution of talents, those which are now wasted upon sewing, with a few pence a day as remuneration, finding a congenial and lucrative vocation in the lighter handicrafts ; but a large portion of women who now produce nothing, economically *non-valeurs*, and who may be excused for being such, seeing they are emphatically told by their teachers that doing nothing is their sphere, and seeing the professions to which they may resort are monotonous, not lucrative, and far from inviting, will be stimulated to do good work.”¹ While sympathising with the wish to free women from all labour of a degrading nature, and especially from the objectionable features of the factory system, and doing nothing to annihilate the difference of sex, we must insist on women having a free choice of occupations for which they are fitted. In an ideal state of society possibly no woman would be required to earn her living in the same way as man, but be his complement to sweeten and brighten life. Under present circumstances too often what are called the most successful marriages

¹ John Macdonell, *A Survey of Political Economy*, p. 36.

are not only the tombs of love, but also the tombs of the best possibilities of life. Many women are compelled to sell themselves body and soul, either with the form of marriage or without it, in order that they may obtain a livelihood and what they imagine to be independence. The frivolities, excitements, or hard physical and mental work of modern life unfit women for becoming the healthy mothers of healthy children, and in many cases prevent them from performing the proper duties of maternity. The present conditions must therefore be considered anti-social in their effects on future generations. It might seem harsh to forbid the labour of married women, at least at any of the heavier or monotonous occupations, but in the end this restriction would be a blessing to all concerned, and such an ideal ought certainly to be kept in view. Exceptional cases of hardship could always be dealt with by a properly constituted authority.

What is usually called the "social evil" is really due in great part to economic causes. Instead of fining or imprisoning those who are the unwilling victims of a bad system, we ought to set about the solution of the economic problems which accompany it. The public should insist that employers should either pay their female workers sufficient to enable them to live healthy, human lives, and thus free them from the temptations to which they are exposed by poverty, or close their works. No industry can be for the good of a nation which only survives on the degradation of its women. It has been well said: "It is one of the enigmas of modern life that the literal striking of a woman, however lightly, should brand the offender as a social outcast, while, in an economic way, the deadliest blows may be struck at her with impunity; and that society

even honours men who get rich by such unknightly attacks on the defenceless. The modern sense of personal honour is, like the modern standard of morality, dualistic."¹

Combination on the part of women workers will produce the same results as it has done in the case of men; and it is to this, combined with stringent regulations regarding sanitary conditions, and to improved opportunities for general and technical education, that we must look for at least one part of the solution of the industrial and social problems connected with women. In all these directions a beginning has been made. Trade unions for women are now assuming importance, not only from their extent, but also from the influence they are able to exercise by themselves and in conjunction with those of men; for the men are at last beginning to understand that they rise or fall with the women, and, more generally, that when one class of society profits unduly at the expense of another, there is a tendency to injure the stability and efficiency of the social body as a whole. It must be admitted, however, that the male workers have very often displayed a lack of sympathy, not to speak of chivalry, to women seeking employment in departments of industry which had hitherto been regarded by men as exclusively their own, that the public have remained indifferent when any dispute arose, and the consequence has been that the claims of women have been overlooked. Men should be taught, as a fundamental article of faith and conduct, to respect and honour women, and to do all they can to improve their social and economic conditions.

In an unorganised condition the labour of women and children leads not merely to the reduction of their

¹ Professor John B. Clark, *The Philosophy of Wealth*, p. 165.

wages to the starvation point, but also to the "degradation" of men's labour, and to sweating in its worst forms. Care should be taken that the competition between the sexes is fair, and that men and women are paid equal wages for equal amounts of work of the same kind; for so long as we have an individualistic system of industry like the present, what the worker *is* is nothing, what the worker *does* is everything, and any attempt to reduce the wages of either sex below what common sense showed to be reasonable should be resisted by the whole strength of both.

In comparing the work of men and women, and the wages received, it should be noted that the conditions are not generally the same. As a rule the women are engaged in departments requiring less strength, skill, and intelligence. The difference as regards the two latter qualifications will tend to disappear, but as regards strength it will never be desirable that women should engage in operations involving great physical exertion. Even in work of a lighter kind it must not be forgotten that there are various reasons which make the services of women less desirable to employers than those of men, and these must be remembered in all our efforts to improve the industrial position of women. Moreover, the industries in which women are engaged are as a rule localised, and the workers have not the same freedom as men in the choice of their occupations, so that their work is less mobile, and therefore from this standpoint of less economic value.

As I have already pointed out, it is a condition of the highest economic efficiency that the women's race should be provided with good, healthy, ^{Influence.} and capable mothers, for on them will to a very large extent depend the conduct of their future chil-

dren. After all has been done in the way of providing occupations for women, we must always remember that their chief work is to be found in the home, where they are the nurses of our childhood, and in this capacity, as Ruskin says, they are the great producers of wealth. This will be increasingly true as society advances, and as improved industrial organisation tends to reduce the inequality of the numbers of the sexes produced by the great economic changes which have been going on during the present century.

Too often, under present conditions, women are compelled to become the mere playthings of men, or scolded housekeepers, not wives. A great many of them are only hewers of wood and drawers of water, or household drudges from whom all activity of mind or body soon departs. When women are practically the slaves of men, they have all the defects of slaves, and they avenge themselves by the training which they give their children, who come to possess many of their mental, moral, and physical malformations.

Moreover, all experience shows that the spiritual is the parent and first cause of the practical, and that women have a great influence in raising or depressing the spiritual and social ideals of the community, so that, apart altogether from motherhood, it is of the highest advantage that they should be cultured. As Ruskin has said, our women should be "fairest because purest and thoughtfullest, trained in all high knowledge, as in all courteous art, in dance, in song, in lofty learning, in loftier courage, in loftiest love—able alike to cheer, to enchant, or save the souls of men"; and any system of education which makes women less womanly is deficient in a most essential element. In that complex system of forces which is called Society, women's influ-

ence will therefore be exercised chiefly in those spheres of benevolent activity which spring from a love of the human family, and which will require much attention for many a day, no matter how rapid social progress may be. Not only will they carry on much valuable work themselves, but they will inspire men with their ideals for social improvement and for the advancement of human welfare.

Even from an economic aspect, women's influence may be greater than that of any other force, for who can estimate her power to raise the enthusiasm and stimulate the energies of men, not only in the performance of steady work, but also of deeds of daring and of heroism and works of great originality. Moreover, the womanly woman is a good mother, a devoted wife, a gentle sister, and a quiet guardian of the family hearth, and thus has a most profound influence in moulding human destiny.

CHAPTER VII

CO-OPERATION

As I have already indicated, the conditions of maximum efficiency in any organism or machine require *Introductory* that no energy be exerted with useless results, that friction be reduced to a minimum, and that the various parts be duly co-ordinated to each other. An industrial organisation must conform to similar conditions. Its various parts must co-operate to reduce waste and energy, and lead not only to cheap production but also to efficient distribution.

Moreover, the biological conditions must be met, and the lives of the workers and the welfare of the community must never be subordinated to mere financial considerations. True economic cheapening of production is to be found in fully utilising the resources of Nature and in preventing all unnecessary expenditure of energy. These conditions are not met by the ordinary competitive system of trade and industry. As in the physical world human progress means throwing off the brute inheritance, gradually throwing it off through ages of endless struggle that are by and by to make struggle needless, so in the industrial world progress is marked by throwing off the industrial struggle which marks our present competitive system, and gradually replacing it by one in which co-operation

takes the place of competition, and rational co-ordination and economy take the place of chaotic production and consequent waste and unequal distribution. Co-operation thus assumes immediate importance at the present time. "Association for good and for evil is the characteristic of our age ; it needs to be inspired by a moral force, and that need, as we trust, will be supplied. Co-operation, in other words, answers to the position which we have reached in social evolution."¹

The co-operative movement marks at least the beginning of a rational system of the organisation of industry, and it is intended to meet the conditions which have been mentioned. Looked at from an economic point of view, its aim is to prevent that waste in production and exchange which grows out of unregulated competition. When it is confined to distributive work, it is designed to enable a community of consumers to provide the goods which they require for their own use without the intervention of unnecessary middlemen, and thus to reduce the cost. When, in addition, production is undertaken, co-operation evolves the machinery for correlating supply and demand, and thus prevents alternation between those periods of great activity and corresponding depression which inflict so much hardship on all classes of the community, and especially on the workers.

The theory of co-operation, however, is not a mere theory of mechanics or of industrial organisation ; it is a theory of all life, and if the movement is to do much good it must not stop at commercial aspects, but must develop until it includes the mental, moral, and religious aspects of human life. In the eloquent words of the Bishop of Durham, "Co-operation, in its simplest

¹ Bishop of Durham, *The Incarnation and the Common Life*, p. 248.

sense, expresses the true organisation of labour. Labour is the condition of healthy life, and labour ought never to be vain or conflicting. But co-operation is more than this. Co-operation defines the right relation, not only of the members of a society one to another, but of men as men, bound together in the fellowship of one nature, one life, one destiny. Co-operation is the harmonious action of men and classes and nations, bringing together the ripe results of their powers, their endowments, their opportunities, for the good of the race as fellow-workers, for the establishment of a divine unity, the crown of common service, and the reward of individual labour. I admit that we are commonly satisfied with a narrower view of co-operation. I admit that as yet we have hardly approached the question of co-operation under its loftiest form, in regard to the special fitness of the several nations for the fulfilment of special services to the race. But none the less I lay stress on the widest application of the principle. The whole influences the least part. The least part gains its dignity from the whole. If we are to estimate rightly the value of a single step, we must know and we must remember an end. It may be said that the end of co-operation to which I have pointed is unattainable. At any rate I do not think it will be said that it is undesirable. And if we agree as to the ideal toward which human endeavour ought to be directed, we shall have a test of progress. As labourers together, therefore, for progress, we shall guard ourselves from sacrificing the whole to the part, or the future to the present, or the spiritual to the material. We shall strive to secure that each man, that each class, each nation, shall be enabled to bring to mankind that which is its proper service, without jealousy and without

reserve, with the power of a wider vision and a larger sympathy that should control and discipline the impulses of selfish aggrandisement, that the loftiest hopes shall find a natural home in every family. For us who believe in co-operation, human progress is, in a word, the advance 'in many parts and many fashions' towards the realisation of that corporate life to the fulness of which every man brings his peculiar offerings, and in which each man shares according to his capacity, all bringing alike and sharing without waste and without self-assertion. And for this progress we shall gladly spend and be spent. Thus, in seeking for improvement in the conditions of industry and commerce, we shall not think simply of higher wages or of cheaper production, or of the advancement of one class, but rather of reconciling interests which appear to be conflicting, of developing trustful fellowship between those who have to fulfil different functions, of making labour itself in all its different forms a true human life, and not a provision for living. To this end, keeping our ideal in view, we shall consider from time to time what element in the ideal may be realised, what is the next step towards the goal which can be securely taken. In this light co-operative production in a wide sense is seen in its true position as a clear and possible advance towards industrial concord. It marks a step in industrial growth. It has a moral value even greater than its economic value."¹ This is a very high ideal, so high indeed that some will be inclined to say that it is not even in the minds of the majority of co-operators. It must be admitted that many who call themselves co-operators have forgotten the ideal of co-operation and are utterly awanting in the true co-operative spirit, and

¹ Co-operative Congress, May 1894.

that many of the works which are called co-operative are simply joint-stock companies in which dividends are the chief concerns of the shareholders. A glance at the development, methods, and results of co-operation will show how far the movement has been in the direction of its ideal.

Like many other movements which have left their origin and impress on the world, co-operation had its development origin in the French Revolution, when men's minds were directed to many schemes for the amelioration of human society. Robert Owen, Saint Simon, and Fourier caught the spirit of the Revolution, and endeavoured to translate it into practical action. To the first-named of these especially is due the honour, not simply of conceiving the idea of improving the condition of the working-classes by a complete reorganisation of the industrial and social systems of society, but also of carrying out some of these into practical effect. True, his experiments turned out unsuccessfully, because he trusted too much to the sudden improvement of human nature, and because they were too much in advance of the existing conditions of society and of public opinion. Still he sowed the seed, which, following a law of Nature, seemed to die and disappear for a time, but which in truth was slowly germinating.

Incomplete and somewhat spasmodic attempts were made in the year 1828 to realise some of Owen's ideas by the formation of what were called Union Shops, for the supply of the common necessities of life, the profits of which were to be applied to the formation of productive works and independent industrial colonies. For a short time these shops seemed to flourish, but in 1834 the whole movement collapsed, and Dr. King, who was their chief promoter, gave it as his opinion that the main

cause of the failure was the purely commercial spirit and greed of profits which seemed to animate the members, a fact not without significance at the present time.

For some years the Chartist movement, which, while political in its nature, had for its object the social amelioration of the people, absorbed the attention of those who took any interest in such matters, and during the excitement nothing was heard of co-operation as a distinct movement. In 1844 the now historic Rochdale Pioneers started their operations on a very small scale, and with that wonderful success which is one of the most striking incidents in the history of co-operation. My present object, however, is not to write history, but to indicate the main lines of the evolution of the co-operative movement, and the principles which guided them. Mr. James Deans has said that the great aim of the Pioneers was "to unite their scanty capital, take up industrial enterprise, secure its profits, and by those means bring about an increased and wider distribution of the wealth of the nation, and to use this increased wealth for the mental, the moral, and the social improvement of their class—to make wealth certainly, but to make this wealth for the purpose of raising their fellow-men to their true condition of manhood. The constitution of the society was also of the most democratic nature—one man, one vote, and no money qualification. The distinguishing features of this new co-operative venture from those which had formerly been made were, that it proposed to pay interest on capital at the rate of 3 per cent, and to divide the remainder of the profits at an equal rate upon the members' purchases; and to these arrangements is attributed much of the success which has been accomplished."

The Rochdale Pioneers' Society overcame all diffi-

culties, and outlived not only internal divisions and jealousies, but also external prejudices and opposition ; it raised up many imitations, a considerable number of which, however, had only a very short existence, owing in many cases to want of harmony among the members, bad management, insufficient capital, or dishonest officials, an experience which proved that movements of the kind can only develop as men and society are prepared for them. Notwithstanding all difficulties, however, co-operation continued to increase, and in 1864 no less than 395 societies made returns to the Registrar, possessing a share and loan capital of £774,000, doing an annual trade of nearly £3,000,000, and making an annual profit of £225,000, results which were of a very creditable and even surprising description.

The leaders of the co-operative movement, however, looked upon it not simply as an end in itself, but as a means to an end, namely, the better organisation of industry. As a step towards the realisation of this ideal, they advised the formation of a federation of societies for the purpose of undertaking the wholesale trade of the movement, thereby protecting the societies from the imposition of the wholesale traders, and securing the profits of wholesale dealing. After considerable discussion the North of England Wholesale Society was formed, and began business in Manchester in 1863, and in 1871 it extended its constitution and became the English Wholesale Society. Following on the same lines, the Scottish Wholesale Society was formed in 1868, and commenced business in Glasgow. Both of these organisations have now greatly extended, and supply a large proportion of the goods sold by the retail societies.

This they do, not only by purchasing direct from the producers, but also by entering the field of production

on their own account, or in connection with other associations. The productive undertakings of different kinds, however, have not been so successful as the distributive, and in fact many of them have been failures. This has arisen to a considerable extent from the want of experience on the part of those in charge of them, and from extreme competition on the part of individual manufacturers or joint-stock companies. Yet, as one of the veteran leaders of the movement pointed out, many of the difficulties came from within rather than from without; they were due to jealousy, to suspicion, to self-assertion, to want of generous confidence and courageous enthusiasm. These are gradually disappearing, and in recent years co-operative production has made very considerable advance, and one of the chief requirements of the movement, namely, the correlation of supply and demand, has been more fully met.

In every movement connected with the organisation of industry, or indeed of society generally, it is much more important to be certain that we are going in the right direction, than to make the steps either long or rapid. In co-operation, therefore, great care should be taken that the methods adopted are such as will lead to the attainment, or at least to the advancement, of the objects in view. We will briefly consider some of these methods, and try to ascertain how far they have common components and how far they differ.

Methods
of Co-
operation.

The most usual form of co-operative agency is the "store." According to the regulations of the Co-operative Union of Societies,

"Each Applicant for Admission shall be deemed by such application to accept as the principles by which all its business transactions should be guided the desire

to promote the practice of truthfulness, justice, and economy in production and exchange—

“(1) By the abolition of all false dealing, either—

(a) *Direct*, by representing any article produced or sold to be other than what it is known to the producer or vendor to be, or

(b) *Indirect*, by concealing from the purchaser any fact known to the vendor, material to be known by the purchaser, to enable him to judge of the value of the article purchased;

“(2) By conciliating the conflicting interests of the capitalist, the worker, and the purchaser, through an equitable division among them of the fund commonly known as *Profit*;

“(3) By preventing the waste of labour now caused by unregulated competition.”

It is not necessary that we should at present enter into details¹ of the methods of organising and working a store. It will be sufficient if we mention a few of the chief points. The capital is supplied wholly by the members, and it is the usual practice to give interest at the rate of 5 per cent. In addition to this they are paid dividends on the amounts of their purchases varying generally from 1s. 6d. to 2s. 6d. in the pound sterling, the goods being sold at the current rates of the ordinary retail shops. The store, therefore, affords a means of profitable investment for savings, and at the same time reduces the prices of goods to the members. Its economic advantages are therefore considerable. Moreover, being under the direct control of the members, the store becomes a centre of thought as well as of trade, and this is a most useful means of education in self-government, and prepares the way for more im-

¹ Cf. Acland and Jones, *Working Men Co-operators*.

portant undertakings. Yet it is evident, that co-operative distribution, or more correctly speaking, co-operative consumption, useful as it is in many ways, will never create a new industrial order, or by itself do much to advance the attainment of the co-operative ideal. "Labour here does not in any way share in the produce with capital. The relation of employer and employed remains just the same, and not a single workman would change the conditions of his employment if the store were to extinguish all the shops in the town."¹ On the contrary, stores which simply save the profits of the middleman and reduce the expenses of management may tend to increase the competition and make the economic position of the workers worse than ever. A great part of the money saved may be used in the reduction of prices, and therefore of wages, and will thus help to make the struggle for existence more intense.

But as I have already mentioned, the co-operative movement is no longer confined to the retail trade. It now includes a large wholesale and therefore also a large transport and distributive business, and is steadily extending itself to many departments of manufacture. It is thus evolving the machinery for correlating supply and demand, which should be one of the most essential features in all co-operative organisations. Only by means such as these can the fluctuations of trade, from which all classes suffer so much, be reduced and ultimately eliminated, and the present waste of energy and of human life be largely prevented.

It ought to be noted that it is impossible to draw a strict line of division between production and distribution. In fact distribution is but a step in production,

¹ Frederic Harrison, *Fortnightly Review*, iii. p. 482.

for what is wanted is not to have goods in certain parts of the country or even town, but to have them exactly where they are wanted, and in the shape in which they are most useful. The baker's van which conveyed the bread to the house of the consumer, the steamship which carried the wheat across the Atlantic, and the farmer who sowed and reaped the grain, are all as essential elements in the production of the bread as the baker who actually baked it.

Besides the system of production carried on by the wholesale and other associations in connection with the retail societies, generally called the federal system, there are various other systems,¹ all of which have their supporters. An organisation composed of societies, workers or other individuals as shareholders, is believed by many to offer the readiest means of reaching the goal at which they are aiming, by enabling co-operators to become their own employers. They moreover think that by encouraging experts in particular trades, and thus preventing too great a centralisation, the results would be most beneficial.

On the other hand, a very influential section of co-operators is of opinion that such groups of self-governing workers, owning alike the instruments and the products of labour, or of workers and other shareholders, competing for profits in the markets of the world, are only groups of individualistic capitalists, and are co-operators only in a very limited sense, in fact that unrestrained competition may drive them to longer hours and lower wages than are paid in ordinary commercial establishments. Mrs. Sydney Webb has said: "The Industrial Revolution, now rapidly extending to all industries, has rendered it practically impossible for the worker to own

¹ Cf. Acland and Jones, *Working Men Co-operators*, p. 92.

the instruments of production without himself becoming a capitalist, able to live independent of his own labour. The ideal of associations of producers belongs essentially to the time when industry was carried on mainly by hand in domestic establishments. We need not dispute the possible educational advantages of the self-governing workshop. Steam and machinery have killed it as they have exterminated the hand-loom weaver."

There is a considerable element of truth in both these positions, and they are not necessarily antagonistic to each other. We might just as reasonably expect the purely capitalistic undertakings to become suddenly co-operative as expect all co-operative undertakings to be perfect from the beginning. The co-operative workshops having a proper system of co-ordination with each other and of affiliation with the wholesale societies, may perform a very useful function in the evolution of industry.¹ They would not only raise the conditions of their own workers, but also help to raise those of all the others. There does not seem to be any insuperable difficulty in formulating a working scheme which would carry out the essential principles of both parties. As the Bishop of Durham has truly remarked : "There appears to be ample room for the beneficent activity of 'Individualists' and 'Federalists.' They deal with different conditions and different problems. Each body has its own work ; and both works must be faced if co-operation is to cover the whole field of industry. The store and the wholesale deal with the limited wants of a particular class. By the interchange of their experience waste can be checked, quality can be guaranteed, competition can be kept in abeyance. But questions of

¹ Cf. Paper by Mr. J. Deans on "The best Method of consolidating and federating existing productive Efforts," Co-operative Congress, June 1892.

wider production both for home and foreign use remain. These must be met by some distinct form of association. I do not presume to decide what the form or forms will be; but it still appears to me that profit-sharing, in one shape or other, is the natural bridge to that which I most desire, the collective ownership of large works by the workmen."

Moreover, as I will point out farther on, when goods are made for use and not for profit, there will gradually grow up a system of local production in many of the subsidiary articles of daily use, which will have the effect of limiting competition to a very large extent, and enable populous districts to supply many of their own wants. In short, the industrial organisation of the future must be sufficiently elastic to allow all forms of association to exist subject to the general condition that they are carried on, not simply in the interests of the workers, but also of the whole community. Subject to this condition there will also be room for a considerable amount of socialised individualism, if the establishments are co-ordinated with a wholesale distributive agency, and the workers obtain the average terms of their trade.

The difference of opinion on these points extends even to the treatment of the workers in the wholesale and retail co-operative establishments, and the method of disposing of the profits is the most contentious subject connected with the co-operative movement, and is discussed with considerable vehemence at co-operative meetings. In fact, in co-operation, as in trade unionism, there are two opposing tendencies, one in the direction of individualism and the other in the direction of collectivism.

The individualists say that without a share of the

profits there is no stimulus to the worker, and that co-operation becomes nothing more than a dreary, infinitesimal drizzle of dividends. On the other hand, those of a socialistic or collectivist tendency regard it as unfortunate that there should be any profit at all, and any occasion to wrangle and dispute over the method of its distribution. They look upon profit on cost as one of the many devices which human ingenuity has contrived to enable one section to appropriate the wealth produced by another, and hold that it should have no place in a well-ordered community. Keeping in view the ideal of co-operation, namely, the inauguration of a better and wider distribution of wealth, they maintain that the problem to be solved is essentially one involved in the distribution, and not in the production of wealth, and that what is needed is not a stimulus to the productive, but a corrective to the distributive forces of society. While willing, therefore, to pay to capital a living wage, and to the workers one that is somewhat above that current in competitive works, they hold that the goods should be sold at such a price that there will be no profit. If there be any, the dividends at the stores being divided among the members in proportion to the amounts of their purchases, the profits both of production and of distribution are communised, which is the ideal which they think ought to be kept in view.

The methods of payment of dividends on purchases and of bonus on labour may seem roundabout methods of raising wages, and no doubt this is the case. It would be simpler to sell at cost price and to pay standard wages, and when co-operation in some shape or other becomes universal this will be so; but taking conditions as they are, the methods which have been sug-

gested, and in some cases carried out, not only impress the advantages of co-operation and profit-sharing upon the workers, but also give an impulse to improvement both in the personal characteristics of the workers and in the quality and quantity of the work produced, and these objects should never be lost sight of.

It seems to me that for a considerable time there will be room for a reasonable compromise on the general question of the division of profits, as about other questions on which co-operators are divided, and in this opinion many thoughtful co-operators are coming to agree.¹ It is therefore a mistake to make this question too prominent. Of much more importance is the idea of co-partnership and of control over the general arrangements of the work, for if these be assumed the general conditions will be to a very considerable extent what the workers choose to make them.

Whatever may be the ideal kept in view, there will be no great departure from it if a moderate share of the profits or a small bonus on labour be allotted to the workers, until at least the movement has been consolidated. The amount and the method of distribution should be determined by the conditions of each department interested, and should be fixed by a body representing all concerned. As the movement extends profits will tend to diminish, and will ultimately disappear; and if the educational aspect of co-operation be attended to, the social ideals of the workers will have so much improved that they will be willing to forego personal for social benefits. Then prices will either be so reduced that there will be nothing in the shape of profit, or if there be any it will be used for public purposes.

¹ Cf. Report of Committee appointed by Scottish Section to consider and report on the Question of Bonus to Labour, 1894.

The same will be true of capitalism generally, but in all cases the progress must be gradual, and a considerable time must elapse before the ideal is realised. In the meantime, however, it would be wrong to keep the mind too steadfastly fixed upon this ideal, and neglect the steps which make its realisation possible. It should always be remembered that "the union of capital and labour will be accomplished, not in one way, but in many ways; for co-operation is not so much an organisation as a principle, not so much 'a state within a state,' as a spirit which quickens and moulds every member for the most effective service of the whole body."¹

The system of profit-sharing is considered by many to be one of the ways which will lead to complete co-operation. The name "profit-sharing" is applied to a variety of forms of industrial remuneration. By a resolution passed at the International Congress held in Paris in 1889, profit-sharing was declared to be "a voluntary agreement, by virtue of which an employee receives a share, fixed beforehand, in the profits" of an undertaking.²

Profit-
sharing
Capitalistic
Schemes.

From a theoretical point of view the various schemes of profit-sharing in ordinary capitalistic concerns are open to the same kind of objections as are offered to the sharing of profits among the workers in co-operative undertakings. Their critics say that they are devices adopted by middle-class employers who have not the slightest intention of ceding the management of their business into the hands of their

¹ Bishop of Durham, *The Incarnation and the Common Life*, p. 253.

² Cf. Report by D. F. Schloss on Profit-sharing, Board of Trade (c—7458), 1894.

employees, and who entertain a firm conviction that the class to which they belong is anything but superfluous. Their object is alleged to be simply to advance the prosperity of their undertakings by allowing their employees to participate in their profits, that in fact they create a number of small capitalists, but that they do nothing to improve the distribution of wealth.

Mr. Sedley Taylor, who was the first in this country to direct further attention to the subject, has said : “ Profit-sharing in a private firm or public company is a system which aims at effecting as much of this change of relation as is compatible with retaining in unimpaired efficiency the function of the trained *entrepreneur*. It would therefore appear to appeal, not only to employers who are willing to see a purely capitalistic organisation gradually replaced by one of a completely associative character, but also to those who, though they regard the *entrepreneur's* function as permanent and indispensable, are prepared for reforms of a democratic tendency which do not menace or undermine its authority. Thus, enlightened and unterrified supporters of the existing *régime*, and collectivists of all shades who recognise systematic training of the working-classes as an essential preliminary to the realisation of their plans, might well accept profit-sharing as the next step, which perhaps is all that is definitely within the ken of any but our youngest and least disillusioned social reformers.”¹ A moderate share in the profits as at present understood, which would at least recognise the principle and be sufficient to be valued, would not only be a step in the direction of the socialisation of individualistic enterprise, but would also build up the co-operative movement and consolidate the economic

¹ Introduction to Bushill's *Profit-sharing*, p. 8.

position of the members without inflicting much, if any, harm on the general body of consumers. We must look for the elimination of profit to the economic forces in action, and to that general movement, to be mentioned later on, which is gradually socialising property of all kinds by the development of the altruistic spirit. I agree with Mr. Benjamin Jones when he says that both as to the method of dividing the profits, and even as to the actual division itself, there is too much fuss made. He attaches far more importance to "an equitable payment for the several services rendered by capitalists, sellers, buyers and workpeople," and he thinks that the best practical way of securing this is "by having every operation of life, outside the individual, conducted by means of democratic associations, in which every member shall be trained up to give and exact justice, and will be educated so as to enable him to ascertain what it is that justice requires."

We shall see farther on that with a spirit such as this permeating the different departments of industry, we would before long reach a state of society in which all industrial disputes would disappear. The only complete solvent for such disputes is therefore a system of education in the duties of Citizenship which would not only enable every member of the community to be acquainted with his duty, but inspired with a determination to perform it. A partial solvent would be found in profit-sharing, the most thoughtful advocates of which do not put it forward as a final solution of the labour question, but as a stage on the road towards co-operative production. If this were remembered, some of the criticisms which are passed on it would be more moderate than they are, for there can be no doubt that, if the proper spirit be cultivated, the system may

be useful in the evolution of a co-operative organisation of industry.

Among profit-sharing schemes, probably the one which represents the highest state of development, both as regards spirit and organisation, is the Association of the Familière at Guise founded by the late M. Godin. In addition to the purely financial aspects of the work, it undertakes to look after the social welfare of the members and of those connected with them.

The members are not housed in separate dwellings, but in a vast edifice in which, while full advantage is taken of the possibilities of co-operation and mutual assistance, each family has as much privacy as it wishes. The first object of the association is to give to the workers and their families guarantees for their existence, and provision is also made out of the profits of the establishment for cases of sickness or accident by a system of insurance. The second object is to provide pensions for those who have become incapable of work. After fifteen years' service any workman or employee of the association who finds himself unable to work has a right to a retiring allowance, of which the rate is fixed by the statutes. Those who have not served this time are dealt with by the committee of members which has charge of the whole arrangements.

The buildings contain all the conveniences necessary in a collective life, such as a school, museum, library and recreation and gymnastic rooms of various kinds, in addition to those required for providing the necessities of life, such as stores, kitchens, dining-rooms and laundries.

The workers connected with the association participate in its profits, both commercial and industrial, and

the division takes place rateably, according to the wages and salaries earned during the year, and an attempt is made to reward each one according to the service he performs. Capital is paid a moderate rate of interest. But before any division is made the allowances for the feeble and the necessitous are deducted. Similarly a share is assigned for the maintenance of the public services and for education, and a reserve is built up to make provision against the chances—social, commercial, and industrial—to which both individuals and institutions are liable. The organic or socialistic nature of human obligations is thus recognised in the arrangements of the association.

It is evident, however, that while great attention is paid to the social and economic conditions of the members, the association is co-operative in a very limited sense only. As an association, indeed, it is individualistic, and if its products were not so special in their nature—namely, the apparatus for heating and special articles of furniture—it might even tend to make the general competition more severe. If, however, similar institutions in different parts of the country were federated and affiliated with a wholesale co-operative society, or a similar organisation, they would not only be able to carry on such work as is done at Guise, but also to limit competition and co-ordinate supply and demand, and in fact meet all the requirements of a co-operatively organised industry.

From a comparison of the methods and results of individual industry and trade and those of co-operation, the advantages of the latter are at once evident, for they fulfil the conditions which we have stated to be necessary for the maximum efficiency of any industrial organisation.

Comparison
of Private
Trading and
Co-operation.

The ordinary retail shops at once show the waste of the individualistic system. These are multiplied beyond what is necessary, and there is not sufficient business to support them all. As the competition increases, vast sums are spent on advertising and on rents for the most advantageous localities, and all sorts of adventitious attractions are put forth to allure customers. Men and women are kept from early morning till late at night waiting on trade which comes in driblets. Life becomes harder and harder with those responsible for the business, and not a few of them land in the Bankruptcy Court. Even when they succeed in making money, the accompanying struggles and petty cares make all human life practically impossible.

In the co-operative stores, on the other hand, there is no advertising or other methods of attracting customers except the quality and the price of the goods, and there is at least an attempt to place them in suitable centres of supply, which are not necessarily in expensive or fashionable localities, and to engage a staff sufficient to perform the work in an efficient manner. Some of the arrangements, no doubt, are often defective, but they are all in the right direction, and the societies only require more support to enable them to meet all reasonable demands. The saving of expense of distribution in co-operation as compared with private trading has been stated to be in some cases about 25 per cent on the price of the goods. Moreover, the new spirit, which is the most necessary factor in modern trade and industry, has been introduced, and part of the money saved is spent in promoting the intellectual and social welfare of the members.

During the process of evolution, no doubt, a certain

amount of hardship will be inflicted on the large class of retail dealers, but the process will be so slow that they will have time to adapt themselves to the altered conditions. The best of them would obtain positions in the co-operative organisations, which they would find more secure and more conducive to happiness and welfare than those that they at present occupy, involving as they very often do a hand-to-mouth life which keeps them on the verge of bankruptcy.

The tendency of the movement will be to cause a gradual improvement in the arrangements of the retail shops and in the quality of their goods, and for many a day those which keep up with the requirements of the times will be able to hold their own. As Mr. Holyoake has remarked: "The shopkeeper has always opposed co-operation; yet he is not in the danger he imagines. Good shops are inextinguishable. No store of the London or Rochdale kind has shown genius in shop-keeping. The thought and consideration, the judgment and skill, the personal knowledge of the needs and tastes of purchasers, are impossible to stores. Stores are like public schools; a shop is like a private tutor, with a limited number of pupils to whom he individually attends. Co-operation may supersede needless and inferior shops; but this they are doing themselves, as Shoolbred, Heal, Maple, Snelgrove, Whiteley, and that class of shopkeepers are. . . . Professionally, the shopkeeper's case is better than he imagines. He is afraid, without foresight, of co-operators. His enemies are those of his own household in the trade. He can hold his own with a little wit and a little judgment. Shopkeepers of special knowledge and skill will never be extinguished by co-operation, any more than the Quentin Matsys and the Benvenuto Cellinis of art will be ex-

tinguished by machinery."¹ It is evident that even with a considerable extension of co-operative action in its various forms there will be room for a great deal of individual enterprise.

The traders should recognise that co-operation of some kind is the only alternative to the monopoly of large individualistic concerns which are pushing them harder than the co-operative undertakings; for, as I have remarked, the movement towards aggregation and monopoly applies to every department of trade and industry. On the other hand, the public should recognise that they have to choose between monopolies which chiefly enrich a few individuals, and organisations which help towards a more equitable distribution of wealth and an improvement in the general conditions of labour.

As I have indicated that it is possible and desirable to federate the independent workshops and affiliate them with the wholesale co-operative society, so it is not beyond the range of imagination to suppose an improved social spirit which would cause a great improvement both in the financial and the social conditions of the private establishments, and enable them to approximate to the ideals and methods of co-operation. We would thus have a socialised individualism which would retain all the good qualities of individualism and add those of co-operation. In all arrangements made for industrial organisation we must take care that as much freedom as is possible is given to individuals for the exercise both of energy and ingenuity, for without this they are likely to degenerate into dull mechanical routine.

The question is often asked, What are the relations of trade unionism and co-operation, and how far do

¹ *The Co-operative Movement of To-day*, p. 97.

they tend to promote a common end? The simplest reply to that question is, that they are supplementary the one to the other, and that both are therefore necessary in the organisation of industry. Trade unionism does not propose to make any radical change in the present methods of organisation; it simply endeavours to obtain for its members the best possible terms regarding wages and the like, and generally to regulate the conditions of the trades concerned. The wisdom of some of the methods which are adopted may be questioned, but there can be little conflict as to the object in view, namely, the bettering of the economic conditions of the workers. This, however, is also the object of co-operation, and it endeavours to attain it partly by direct means, such as higher wages and improved conditions of work, partly by indirect means, such as the dividends paid on the amounts of purchases and on the capital invested in the stores and works. As a matter of fact, however, it is found that the majority of undertakings, in so far as the great body of the workers is concerned, are conducted on ordinary commercial lines, although it must be admitted on a somewhat higher plane than ordinary establishments; and therefore trade unions are required to adjust the claims of the different groups of workers, for no provision is made in the management of the works for these being settled in any other way. Even with a much more perfect system of co-operation than is likely to be in existence for many a day, trade unions, or something like them, will be necessary to adjust the claims of the different classes of workers, for differences in the skill required, and generally in the nature of the work, must cause differences in the rate of remuneration. We are still a long way from

Relations of
ism and Co-
operation.

the time when all will be paid alike, without regard either to skill or other conditions, and any proposals which ignore that fact are in the clouds, and not likely to lead to useful results. Mrs. Sydney Webb has expressed the position very well by saying that “the proper relationship of trade unionism and co-operation is that of an ideal marriage, in which each partner respects the individuality and assists the work of the other, whilst both cordially join forces to secure their common end—the Co-operative State.” The identity of the objects aimed at by trade unionism and co-operation, although formerly ignored by both parties, is now beginning to be recognised, but, it must be admitted, in many cases it is still in a very half-hearted manner. Even yet many trade unionists and the majority of socialists denounce, or at least minimise, the results of both co-operation and profit-sharing; and fail to see that the chief hindrances to their own proposals lie in the mental and moral unfitness of all classes of the community for anything approaching a socialistic *régime*; and they discourage the only practical systems which are fitted to produce the needed capacity, and to assist in the evolution of a state of society in which the highest ideals of all social reformers would be fully realised, and in which it would be found that trade unionism and co-operation are both necessary.

The most striking result of the co-operative move-

Results of Co-operation. ment is the extent of the operations which are conducted by it. The progress made from year to year may be seen from an inspection of the figures published in the *Annual* of the Wholesale Co-operative Societies, and to these we must refer for details. The more important figures for the whole of the United Kingdom in the year 1892 were as follows:—

Societies (making returns)	1,791
Members	1,284,843
Capital (share and loan)	£18,421,323
Sales	£51,060,854
Profits	£4,743,352
Profits devoted to Education	£32,753

These figures amply justify the opinions expressed by Sir John Gorst in his Rectorial Address at Glasgow University.¹ After pointing out that the co-operative movement, full of such immense possibilities in the future to the working-classes, is an object of careful and anxious study in the University Settlements, he said: "In Great Britain co-operative distribution is now established. Its operations are already great, its progress is rapid, its ultimate triumph is only a question of time. The problem of the day is how the enormous power of the English and Scottish Co-operative Wholesale Societies, as the greatest purchasers in the United Kingdom, can be used in promoting the welfare of the producers." With regard to co-operative productive societies he remarked "that they have in most cases languished hitherto, partly from inefficient management, but chiefly from the difficulty, amidst the keen commercial competition of the day, of finding a market for their produce. If the productive societies worked for orders from the wholesale, the latter difficulty would be annihilated." These opinions, coming from a man who is a careful student of social subjects and an unbiased judge of co-operation, are a recognition of past efforts and should be an incentive to future exertions and new developments.

The economic results of the co-operative movement are very important. Of these the most apparent are the

reduction in working expenses by the saving of the charges of the capitalist, the more efficient employment of the time of the workers, and the saving of expenditure on advertising and in other ways.

Like every other evolutionary movement, it begins in a small way. At first it usually takes in hand the requirements of a small district as regards the necessities of life, but it gradually extends, and by a federation of societies, wholesale and retail, it may ultimately include a great part of the trade of the country. No doubt some of the more common wants of the people will be met by municipal, and others by State arrangements, in the manner which will be explained in the next two chapters ; but the economic results in all cases will be the same, for the savings effected by the arrangements will be communised and be used by the whole community. By the co-ordination of supply and demand the workers will be able to secure steady employment, while, by the saving of waste and friction, good wages will be possible. The control of the people will cause goods of a superior quality to be supplied, and the welfare of the community to be always kept in mind. When the movement becomes general, the economic conditions of the great body of the people will be much improved by the more equitable distribution of the products of industry, and it will thus be possible for the workers to have shorter hours of labour than at present, and consequently increased opportunities for mental and social enjoyment.

The educational training given by co-operation is one of its most important features. Wages may rise and fall, and dividends may fluctuate or disappear, but the educational effect of co-operation carried on in a proper spirit remains on the characters of the members, and no

one can be a good co-operator without at the same time possessing many of the qualities which go to make a good citizen. Professor Fawcett rightly declared that "co-operation cannot succeed without calling forth many of the highest qualities of man's intellectual and moral nature." A share in the management of a business, however small, may be a more useful education than any obtained at school or college, and if it be carried on with equity and truth, it may prove a most effective moral training. Co-operation should therefore be recognised not merely as a maker of dividends, but as a maker of men, men imbued with the principles of justice and equity, and with high ideals of the ultimate objects of the movement in which they are interested ; for if it becomes mere organised self-seeking, it may, while it leads to increased cheapness in distribution, at the same time cause increased suffering among producers.

Co-operators have, moreover, always taken a very considerable interest in ordinary educational movements, especially in those which have a direct bearing on the welfare of the workers. Many of the individual societies have done much to advance general and technical education, although the number is not so large as it ought to be. The average member fails to recognise the importance of the educational aspects of the movement in which he is engaged. He is alarmed at what sounds to him "unbusiness-like and sentimental";¹ he is half afraid it may injure the society. It rests with *individual* co-operators to show by practical demonstrations, which need not cost money, by social meetings, with papers read and discussion to follow, by classes in co-operative education, and the like, that the exact opposite is true, that education is, as Professor Stuart says, "*the life's*

¹ Acland and Jones, *Working Men Co-operators*, p. 126.

necessity for Co-operators . . . Gradually the older leaders, through whose enthusiasm the movement has been made what it is, are passing away. They got their strength, their education, and their enthusiasm too, to some extent from the difficulties they had to struggle with and conquer—difficulties which we of the younger generation cannot adequately picture to ourselves at all. A similar strength, enthusiasm, and capacity will certainly not be forthcoming, either in the present or the future, to guide co-operators in the right direction, and to create a really healthy public opinion in the co-operative body, unless some very earnest educational work is done." That work must not be confined to the mere technical details of business, but must enlarge the ideas of the students and enable them to understand the more general movements in the world and the position which they as co-operators hold in them. It must furnish them with the laws of personal and social development, and fit them, not only to perform their daily work in a satisfactory manner, but also to take a fair share of the duties of citizenship.

As co-operators their special duty is to do all in their power to advance the movement and to improve the conditions of the workers and the relations of capital and labour. As workers they should insist not merely on obtaining a fair return for their work, but also that it be performed under proper conditions, and that its quality be the best possible. As consumers they should endeavour as far as possible to purchase goods which have been produced co-operatively, and above all, assure themselves that the conditions on which they themselves insist should also be available for those who produce for their requirements. Moreover, they should encourage those forms of distribution which bring the producers

and the consumers into close contact, so that both time and money may be economised, and satisfactory relations established between the various parties concerned. It is only by this extension of the feeling of personal responsibility that we can hope for any real improvement in social conditions.

Many of the educational movements hitherto encouraged by co-operators, such as libraries, news-rooms, and science and other classes are gradually being taken up by public bodies. But there is still scope for co-operators educating public opinion in matters relating to industrial and social welfare, and especially regarding the place which co-operation should take in social evolution. Recently some attention has been paid to the subject of "The Life and Duties of the Citizen," which has been introduced into the Code for Continuation Evening Classes, and the more advanced and special parts of this afford scope to co-operators for educational activity, for not only could the ideas of co-operation be taught, but also a very complete course of social and economic subjects generally. It must always be recognised that co-operation, whatever shape it may take, is only partially realised so long as it is not organised in the interests of the whole community.

In this as in other departments of the work there has been a considerable amount of co-ordination, and that chiefly through the agency of the Co-operative Union. This union is an institution charged with the duty of keeping alive and diffusing a knowledge of the principles which form the life of the co-operative movement, and giving to its active members, by advice and instruction —literary, legal, or commercial—the help they may require, that they may be better able to discharge the important work they have to do.

The *Co-operative News*, a weekly journal carried on by a special company as an organ of associated industry, is a most useful and influential factor in the co-operative movement, and serves both as a newspaper giving information regarding its progress, and as an educational and literary journal in which subjects relating to social and industrial organisation are freely discussed from different points of view. After payment of a moderate rate of interest on the capital invested, all the profits are added to reserve or used in improving the newspaper. The *Annual* of the Wholesale Societies is another very important publication, which contains statistics of the progress made from year to year and papers by well-known writers on subjects of interest to co-operators. There are many other schemes in connection with the movement, but for details of these we must refer to these and other similar publications.

It follows, of course, that improved social conditions would at once result from improved economic conditions and extended educational opportunities, for if the true co-operative spirit be kept up, the welfare of the workers and of the community will always be the chief objects kept in view. The spirit of co-operation is opposed to "sweating" in every form, and this is being infused into industrial affairs generally, and bringing about a sense of the common good. It encourages sympathy with public aims and a desire for the welfare of the community generally. The fraternal spirit should lead to improved opportunities for social enjoyment and recreation. Co-operation should lead the way in these matters, and indicate to municipalities some of the possibilities of rational communised enjoyment and the cultivation of the social virtues. Their education should therefore not simply be of the head but also of the heart.

The position which the movement gives to women, allowing them as it does equal voting power with men, ought to have good social results. Moreover, the Women's Guild or League for the Spread of Co-operation affords them the opportunity of taking an active part in propagating the principles of co-operation, and in making their influence felt in many social movements, and especially those for the improvement of the social and economic conditions of their own sex.

Mr. James Deans, one of the most active members of the co-operative movement, has said : " By its capacity and tendency to bring about a much wider diffusion of the wealth of the country it will yet render totally unnecessary the wretched poverty and misery that fill the streets of our towns and cities. By its building departments it has already done much, but will yet do a vast deal more, to improve the housing of the poor. By its productive phase, which as yet is but very imperfectly developed, it will in some form or other lead to the self-employment of the workers, and thereby solve the great labour problem, and put an end to those terrible labour conflicts that are so damaging to the trade and stability of the country, and do so much to embitter class hatreds. By its seaside homes and similar institutions it will do much to relieve and reduce the physical disease and suffering that darken so many lives and homes. But much of the success or failure of the movement in the realisation of its ideals depends upon the spirit and attitude assumed by its thinkers and leaders. The success of the movement demands a high moral culture on their part ; they must banish from within its borders every manner and species of intrigue, prejudice, jealousy, malice, and unworthy ambition ; there must be an unlimited display of enthusiasm and

self-sacrifice, labouring to establish a brotherhood, they must act toward each other as brothers. If such be the attitude assumed, the onward progress of the movement will be irresistible, and its beneficial effects unbounded in their extent."

In the earlier part of this chapter I quoted some of the ideals of the Bishop of Durham regarding co-operation. I cannot better conclude it than by allowing him to explain the position which the movement takes in his philosophy of life and in his religion. He says : "I have dared to express great aspirations, because I believe more confidently as the years go on that men are moved by lofty motives. For me, co-operation rests upon my faith. It is the active expression, in terms of our present English life, of the articles of my creed. Viewed in the light of the facts which I hold to be the central facts in history, I recognise in it an inherent tendency to complete man, to guard the family, to unite the State, to harmonise nations. It is, as I regard it—and you will allow me to speak out my whole heart —man's spontaneous welcome given to the promises of God. It is a proof on the scene of our working world that the Gospel is not an illusion, but an ideal brought into the homes of men. It is—may I say it?—a special call to England ; for, as we have been reminded by one (Professor Marshall) who two years ago was your president, England led the way in the industrial evolution of modern Europe by free and self-determined energy and will. It is, then, for England to overcome the secondary evils which have arisen in this period of transition by a fresh exertion of the same national characteristics."¹

¹ *The Incarnation and the Common Life*, p. 253.

CHAPTER VIII

MUNICIPAL CONTROL

ALL the conditions which I have mentioned at the beginning of the preceding chapter as essential to co-operation, as usually understood, may be fully met in a somewhat different form when an organised community undertakes the management or the control of any of the works which are necessary for supplying its members with any of the necessaries of life, or with the means of instruction, recreation and enjoyment. The Town and County Councils then take the place of the Committees of the Wholesale Co-operative Societies, and they differ solely in the employment of legal machinery which is under the direct control of the community, a difference which is justified by the nature of the commodities provided, and by the general demand there is for them. These as a rule are of a simple and uniform nature, the quality of which can be easily tested, and about which there is likely to be little difference of opinion, such, for instance, as water, gas, and electric light. Moreover, from their nature it is highly desirable that they should be monopolies, for it would not only be very inconvenient but wasteful and absurd to have our streets invaded by companies which claimed the right of free competition. The same is true of means of transit, at least when the

conveyances are run on special lines of rails, as the streets are made, not for the purpose of affording the means of making profit to individuals or companies, but for the convenience of the public generally. Public parks, galleries, museums and institutions of many kinds, in all ages, in ancient Greece and Imperial Rome, as well as in modern Britain, have always been managed by the responsible local authorities. What is usually called Municipal Socialism is therefore neither new in spirit nor in method, but is simply a development of what has always been done in every community having any claim to be considered civilised. Any attempt at a highly centralised system of management by the State would lead to utter failure, as it would break down through its own weight and from the impossibility of effective control.

It is difficult to point to the time when municipal control or its equivalent began in Britain, for Development of Municipal Control and Management. much of the legislation and many of the customs from a very early date have had for their objects the control of industry and the improvement of social conditions.

Its modern aspects, however, may be said to have begun at the passing of the Reform Act of 1832, by which the great body of the middle classes was enfranchised, and which enabled them to demand a considerable amount of local self-government. Towns, burghs, and counties were gradually empowered to undertake works of various kinds, all of which had till that time been left entirely to private enterprise. Local Improvement Acts were passed which conferred large powers on the various bodies, especially in matters relating to sanitation. All these enactments are of a socialistic nature, for they place restrictions on the use of private property, and the

rights of ownership are much curtailed in the public interest. In fact all local rates have the same tendency, for they fall much more heavily upon property and on the incomes generally of the well-to-do classes than upon the poor, thus helping to equalise the distribution of wealth and forcing a practical recognition of the fact that the community is a social organism, no member of which can live by himself, and that all should contribute according to their means and their advantages to the welfare of the whole. All this, however, is being done in a somewhat blind, unconscious manner, and few even among those who are taking an active part in social reforms recognise that many of the local rates are really forms of the municipalisation of rent, in fact are steps towards the nationalisation of land, a phrase which is apt to be looked upon with horror by the average respectable citizen. If the present tendencies continue, the process will be completed before he is conscious of it. The more general legislation relating to sanitation will be briefly noticed in the next chapter under "State Control," in which it will be observed that the same tendencies are more pronounced, although in many cases it is difficult to draw the line between municipal and State control.

The improvements which took place in the towns, both in buildings and streets, naturally led to a demand for a good supply of gas and water, and these two necessities are now generally furnished by local authorities. The most marked exception is the case of London. That is easily explained by the slow growth of civic spirit in that huge wilderness of houses and of individualistic interests. A large proportion of the population are not productive workers, but either parasites or dependants who seem to imagine that the existence

of the world rests on the maintenance of the state of things to which they have been accustomed.

Improved sanitary conditions and good supplies of gas and water in their turn occasioned demands for improved opportunities for enjoyment, recreation and instruction, and these have been met by the authorities providing parks, galleries, museums and other institutions of a similar kind, all of which now form part of the organisation of nearly every large town. These again have led to improved facilities in travelling, and in addition to the numerous opportunities now afforded by the railway companies, many of the corporations have taken over the tramways, and work them in the interests of the whole community.

One of the most remarkable indications of the spirit of the times is the determination of local authorities to take the lead in maintaining the rate of wages of their employees, and even of those indirectly engaged by them. Many of them have adopted and put into practice the fair-wage resolution, or modifications of it, which is the basis of the London County Council's labour policy, for London is at last being awakened, more especially regarding matters affecting labour and social conditions. We will consider some of the results of a policy of this nature in a future chapter, and in the meantime simply note it as a fact in the labour movement of the day.

Recently the problem of the "housing of the poor" has been taken up by the local authorities, and many of them are now providing model dwellings and lodging-houses, and their influence is being felt in all the inferior property in the neighbourhood, for when corporations lead the way in improvements, it is impossible for private individuals to lag behind. Moreover, power has now been given to the local authorities to shut up

dwellings which are unfit for human habitation. The arranging of work for the unemployed is beginning to receive attention, and there is little doubt that in the near future arrangements will be made which will enable every able-bodied man to earn at least sufficient to maintain himself. In short, municipalities have had forced upon them the problem, How best to advance the welfare of the whole community placed under their charge.

By a process of experiment that problem is gradually being solved. As Mr. Chamberlain has pointed out : “The leading idea of the English system of municipal government may be said to be that of a joint-stock or co-operative enterprise in which every citizen is a shareholder, and of which the dividends are receivable in the improved health and the increase in the comfort and happiness of the community. The members of the Council are the directors of this great business, and their fees consist in the confidence, the consideration, and the gratitude of those amongst whom they live. In no other undertaking, whether philanthropic or commercial, are the returns more speedy, more manifest, or more beneficial.”¹

On this subject Mr. W. H. Mallock has said : “Though neither Socialism nor Trade Unionism may have much, or perhaps any, efficacy in raising the maximum of the labourer’s actual income—though this must depend on forces which are wholly different—yet Trade Unionism and the principle which is called Socialism may be of incalculable service in bringing about conditions under which that income may be earned with greater certainty, and under improved circumstances, and, above all, be able to command more comforts, conveniences, and enjoyments. Thus many of these

¹ *Forum*, November 1892.

measures which I have called Socialistic under protest may be regarded as an interception of a portion of the labourer's income, and an expenditure of it on his account by the State in a way from which he derives far more benefit than he would or could have secured, if he had had the spending of it himself.”¹ This writer may protest against the name Socialism as much as he pleases so long as he admits the utility of the thing itself. There is not only a tendency to intercept part of the labourer's income, but there is also an increasing tendency to intercept a larger proportional part of the income of the persons who do not work, but who enjoy their ease and their luxury, because able in some way to tax the industry of those around them.

Notwithstanding all these tendencies, very few people have a clear idea of the direction in which we are going. As Mr. Sydney Webb has put it: “The ‘practical man,’ oblivious or contemptuous of any theory of the social organism or general principles of social organisation, has been forced by the necessities of the time into an ever-deepening collectivist channel. Socialism, of course, he still rejects and despises. The individualist town councillor will walk along the municipal pavement, lit by municipal gas and cleansed by municipal brooms with municipal water, and seeing by the municipal clock in the municipal market that he is too early to meet his children coming from the municipal school hard by the county lunatic asylum and municipal hospital, will use the national telegraph system to tell them not to walk through the municipal park, but to come by the municipal tramway, to meet him in the municipal reading-room, by the municipal art gallery, museum and library, where he intends to consult some of the

¹ W. H. Mallock, *Labour and Popular Welfare*, p. 319.

national publications in order to prepare his next speech in the municipal town-hall, in favour of the nationalisation of canals and the increase of the Government control over the railway system. 'Socialism, sir!' he will say. 'Don't waste the time of a practical man by your fantastic absurdities. Self-help, sir, individual self-help, that's what's made our city what it is.'¹

We will consider, a little further on whether, after all, the works enumerated by Mr. Webb do really embody the distinctive features of Socialism, or whether they are only developments of individualism. A good deal of time and misunderstanding would be saved if the fundamental ideas involved in the different social movements were carefully studied, as it would be found that apparent differences lay more in words than in ideas.

The development which is at present taking place in every department of Local Government opens up great possibilities for the future; in fact the chief reason for this development is to make social and industrial reforms possible, for those who really understand the problems have no wish for a highly centralised authority which too often means dull, lifeless, official routine. On the contrary they are of opinion that it is only possible to carry out their ideas when power is localised, and when those who exercise it can observe all the conditions of the problems which they are called upon to solve. Those who do not care for the name Socialism may speak of the works of the different local bodies as communised co-operation.

The actions of all democratic organisations depend entirely on the will of the majority of the people, and the extent and sphere of these actions on the state of

¹ *Socialism in England*, p. 116.

public opinion and education ; and there are no reasons why it should not ultimately include the control and management of all that relates to the essential requirements of the life of the community and of its members. It is altogether a matter of expediency, and it is for the community to decide in each case when collective action is necessary and desirable, and when it is impossible and dangerous. Step by step the municipalities will go on socialising essential wants and eliminating the purely individualistic element in their management, and the highest positions of honour will be those under the municipality which have been given to the most worthy citizens, who recognise that the best rewards they can obtain are not large salaries or the possession of great wealth, but the opportunities of rendering efficient social service by leaving their mark for good on the world and by influencing the social life of the whole community.

In addition to the strictly municipal work that *Voluntary Associations* is undertaken on behalf of the community, there are a very large number of voluntary associations and institutions which may be considered semi-municipal in their nature, and many of which are evidently destined to become wholly so before long. Among these, for instance, are the hospitals of different kinds which are founded for the purpose of taking in some of the waste products of our industrial and social system, and for repairing as far as possible the injuries which they have suffered. Such institutions are sometimes pointed at as the glories of our civilisation. They should on the contrary be looked upon chiefly as monuments of neglected duties, and the object of all social reformers should not be to extend them, but so to improve social and industrial conditions as to render

them almost entirely unnecessary. As sanitary conditions are now being regulated by municipalities and other local authorities, they have found it necessary to institute hospitals for infectious diseases and to carry out many arrangements which are necessary for the efficiency of their work, and there can be little doubt that gradually all hospitals and other similar institutions will be socialised and brought under public control. Not only will this lead to economy in their administration, but it will also show more distinctly than at present the necessity for efforts being made to render them unnecessary.

The same is true of friendly and charity organisation societies and the like. Already the process of co-ordination of agencies has commenced, and it must continue until it has put an end to all special societies, and their duties, if any be left, will be transferred to that society of societies which is Society itself. No matter how far this co-ordination may go, there will still be scope for individual exertion in social fields, after a manner which we will consider in a future chapter.

CHAPTER IX

MODERN STATE CONTROL

In a previous chapter a sketch has been given of the development of State control till the dawn of that industrial revolution, which was brought about by the improvements made by James Watt in the steam-engine, and the rapid developments which took place in the appliances connected with cotton manufacture. ^{Introductory.} The extreme regulation of trade and industry by legislative and administrative enactments led Adam Smith to study existing conditions carefully, and he came to the conclusion that freedom of trade was an absolute necessity if the country were to advance in wealth and general prosperity. As has been mentioned, he believed that there is a natural order of things which corresponds with a divine order, and that free competition between man and man is regulated by a higher Power, which in the end directs individual actions in the best interests of the whole community. As we have seen, however, the development of machinery has made the instrument which Smith thought necessary for destroying monopoly a means of establishing it.

The evils arising from unrestricted individual action and competition in industry and trade have led, on

the one hand, to the passing of the Factory Acts and to much legislation of a similar nature, and, on the other, to the municipal or State control of industries, so that they may be used in the interests of the whole community. Absolute *laissez-faire* was never the creed of any political party, for it is evident this would have inevitably resulted in absolute anarchy of the worst kind. If it had continued to prevail, "we should have had a proletariat of servile workers, degraded in physique, in mind, in morals ; mothers working in mines and factories, their sickly children dying without a mother's care, or surviving with enfeebled frames ; other children ignorant and savage, worked to death or growing up savages ; the whole labouring population turned into mere human plant and instruments to make the fortunes of masters constantly becoming more insolent and inhuman from impunity. We should have had the 'slave gangs' of the Roman Republic repeated, only that the slaves would have been the countrymen of their masters, neither conquered in battle nor born in slavery. We should have had a caste of servile labourers working for the capitalists' fortunes as well as for the general convenience."¹

Reference must be made to special works for a detailed account of the development of the State control of industry through the Factory Control. Laws and other similar legislative enactments ; all we can do meantime is to note a few of the main lines of evolution.

The first Factory Act, the so-called Health and Morals Act, was introduced by Sir Robert Peel in 1802, who justified his procedure by saying that some such measure was necessary to prevent the mechanical in-

¹ Graham, *Socialism, New and Old*, p. 394.

ventions which were the glory of the age, from becoming a curse instead of a blessing to the country. This Act was intended to remove some of the most glaring evils by insisting on improved sanitary conditions and on the provision of a certain amount of education to boys and girls employed in the factories. It was not, however, until 1819 that another Act was passed which limited the hours of labour and otherwise improved the conditions of the workers. In 1832 a Royal Commission was appointed, chiefly in consequence of the earnest appeals of Mr. Sadler and Lord Ashley—afterwards better known as the Earl of Shaftesbury. The evidence given before it revealed a horrible state of affairs, and it was felt that more vigorous restrictions were urgently needed. In 1833 an Act was passed for the further protection of children and young persons. Children were not to work more than nine hours a day, and were to attend two hours per day in school, and the half-time system of attendance was rendered compulsory. A little later an Act was passed creating factory inspectors to prevent the evasions which had become common. In 1844 another Act still further reduced the hours of labour of children and young persons, and provided arrangements for their education; and in subsequent years limitations of hours and educational and sanitary arrangements were made and extended to nearly all descriptions of factories and workshops. In 1878 a consolidating Act was passed containing no fewer than 107 sections relating to all the provisions which had been made regarding sanitation, ventilation, and other conditions of work, the hours of labour, education and holidays, and to the official machinery necessary for the effective carrying out of its provisions, such as, for instance, the appointment of inspectors and certifying surgeons. In 1891

this Act was amended by giving the local authorities power to enforce the provisions relating to public health, and making more complete arrangements with regard to unhealthy and dangerous occupations, and the conditions of employment of women and children. The number of inspectors was increased, and some female inspectors were appointed for the purpose of seeing that the regulations regarding the conditions of the employment of women were enforced.

It will be observed from this sketch that factory legislation proceeded along four clearly discernible lines of evolution.¹ (1) A movement along the line of strongest human feeling, beginning with the weakest workers and protecting, first, the pauper children, then advancing to other children, young persons, women and men. (2) Protective legislation moving from the more highly organised to the less highly organised structures of industry, beginning with the cotton-mills, then gradually including all the textile trades, and proceeding to the non-textile workshops, general workshops, retail trade and domestic service. (3) The aims of the legislation gradually becoming more complex, beginning with the limitation of the quantity of labour of factory workers, and proceeding to the more general conditions of all classes of workers, and including sanitation, education, machine fencing, etc. (4) Increased effectiveness of legislation, with growth of centralised control, by the extension chiefly of the machinery of inspection and of the facilities for the enforcement of the laws.

All the agencies which have been employed for improving the conditions of the workers are proofs that the biological aspects of industrial and national life are

¹ Cf. Hobson, *The Evolution of Modern Capitalism*, p. 321.

now beginning to receive attention, although as yet in a very haphazard manner, whereas in the early days of the industrial revolution the physical aspects only were looked at. Cheap goods were produced without regard to the effects on human life and social conditions. The capitalist who in the beginning of this century could make a fortune out of cotton-spinning or other industry by using up several generations of men and women in one generation, has been driven out of existence by the factory and the sanitary inspectors, who may thus be looked upon as pioneers of socialism—of a kind, for they compel attention to the social aspects of production. Strictly speaking, however, they are not socialistic, in the widest sense of that term, for they leave private capitalism intact. Indeed they rather tend to preserve it by ensuring it a longer life, and in this sense they are anti-socialistic. It should be observed, however, that while legislation of this kind has very important economic results, it was passed for moral rather than economic ends. Mr. Goschen has said that he believes "that certainly in the case of the Factory Acts it was a moral rather than an economic influence—the conscientious feeling of what was right rather than the intellectual feeling of ultimate material gain—it was the public imagination touched by obligations of our higher nature which supplied the tremendous motive power for passing laws which put the State and its inspectors in place of the father or mother as guardians of a child's education, labour or health."¹ This may be admitted and is probably true, but it practically amounts to the confession that if we had justice in our social arrangements, we would also have the highest economic efficiency. This, however, is precisely what science and ethics alike teach us,

¹ *Addresses*, p. 62.

and what socialists demand, although it must be confessed they seem to attach undue importance to the merely material aspects of the problem.

The tendency is ever to increase the amount of State control of the kind which we have been considering, and there is a danger not only of the whole organisation developing into official routine, but also of producing a low form of morality. Factory legislation, and indeed all legislation of a similar kind, should be considered to be merely of a transitional nature. Instead of increasing the number of laws, and multiplying the number of inspectors, and extending the scope of their operations, the aim should rather be to render them unnecessary, by raising the standard of individual and collective opinion to such an extent that no one would care to make money, or otherwise to advance his own interests, by taking undue advantage in any form of any of his fellow-creatures. This, as we shall see further on, should be one of the chief functions of modern industrial guilds.

Public education is partly under municipal and partly under State control, and the increasing absorption of the incomes of the comparatively rich to provide for the education of the children of their poorer brethren distinctly shows its socialistic tendency. Those who dislike the term "socialistic" may speak of the education rate as an insurance against pauperism and crime, and a recognition of the fact that modern civilisation is an organisation in which all members are equally interested, and that the welfare of its whole depends on that of its individual parts. Moreover, it is now being recognised, not only by individuals but also by communities, that life was meant for higher ends than the mere accumulation of material wealth, and that all

their efforts should have for their object the welfare of the race.

Like many other modern tendencies, this is really a return to an old ideal. In the Middle Ages a great part of the charge for education was borne by the land either directly or through the Church, which was considered the trustee on behalf of the people. At the time of the Reformation the landlords appropriated a great deal of the Church property, and thus put into their pockets what was practically the national school and poor fund. Until the passing of the Education Act, however, they were directly responsible for a great part of the expense of education. By this Act they were relieved entirely of this expense, and it was defrayed by a public rate and an Imperial grant, in which of course they had to take their share as members of the community, but not as owners of the land.

Before the passing of the Act the old parochial system was found to be not nearly sufficient for the requirements of populous districts, and it was supplemented by church and private schools. In Scotland these latter have to a very large extent disappeared (except as regards the Catholics), and in England, although the process has been slower, they are gradually being absorbed into the national system. The legislative enactments which have practically made elementary education free all over the country, must inevitably lead to the consolidation of this system and to the clearer recognition by the people that education is a matter of national concern which cannot be left to the hazards of chance. Free education is the practical recognition of the principle that education is a necessity and not a luxury, and that it is the duty of the State to arrange that it should be within the reach of all, and that it be

chiefly directed towards the advancement of the social welfare of the people. At no distant date society will see that it is best and cheapest to put within the reach of every man at his start in life the most efficient it can provide in the way of education. Not only is this true of general, but also of technical and professional education. Large sums of money from Imperial and local sources are now being spent all over the country in extending and improving the education of those engaged or about to engage in trade and industry, while the various colleges and universities which prepare for the professions are having their grants of money largely increased.

It is now being distinctly recognised that the social and industrial problems are essentially educational problems, and that no education is worthy of the name which does not fit men intellectually, morally, physically and professionally for complete living. All schools of thought, whether individualist or socialist, agree that, if the race is to progress, it must be largely through the development of science, in the highest sense of this term. It has often been said that between the great forces of modern society, democracy and science, there is a direct opposition, as the first tends to level and the second to create differences. No doubt this is true of science as usually understood, but the longer men study it, the less are they satisfied with many of its methods, and they differ entirely from some of its conclusions. We have seen that Ruskin's influence on economic science is beginning to turn it outside in, and it is possible to suppose a similar revolution in other departments. No department of knowledge can be considered as being on a scientific basis which is studied quite by itself, and which does not take into account all the aspects of the problems connected with it. Educa-

tion must therefore be carefully studied in all its aspects if it is to lead to the highest national good, and if properly carried out, it will be found to be the best equaliser of social conditions, and that it will ultimately solve all our social problems.

It is gradually being realised that public health ^{Public Health.} is public wealth, and both local authorities and the central Government are now armed with sufficient powers to safeguard the public health by insisting on adequate sanitary arrangements. Like education, public health is being municipalised and nationalised.

The Factory Acts were passed for the protection of the workers engaged in particular industries, but along with the demand for these Acts there arose another for the improvement of the sanitary conditions of the whole community. At the beginning of the movement there was a considerable amount of activity on the part of the public, but it was carried on under a sense of the magnitude of the evils which all recognised rather than with a clear understanding of the proper remedies to be applied. The Public Health Act was passed in 1848, but at first it was administered with more zeal than discretion and thus led to a reaction in the public mind. Opinion, however, gradually ripened on the subject, and scientific men collected a large number of facts and ascertained the principles which underlay them, and this led in 1866 to a great outburst of legislative activity in sanitary matters. A Royal Sanitary Commission was appointed, and its Report, which was published in 1871, had a great effect both on legislation and administration. Numerous Acts have been passed dealing with many details, and Town and County Councils have now very full powers in regulating sanitary

matters, and are displaying great activity regarding them. A marked improvement is thus taking place in public health, and the prevention of disease is gradually being recognised as the proper function of the medical profession.

In addition to the control exercised through factory laws and other similar legislative enactments, the State for a long time has directly managed many of the affairs of the nation. Notable among these are the international relations which are necessary to enable us to regulate our affairs in such a manner as not to cause any trouble with the other nations of the world, or should any arise, to settle it as soon as possible. Our diplomatic and consular service is in fact a rudimentary stage of that international service which will be necessary when the federation of the world has become an accomplished fact.

The armies and navies of the world, however, afford the most instructive lessons in collective action, and those who use them for despotic or personal ends fail to see that what is possible with armies and navies as fighting machines is also possible for armies of men organised for industrial work, and for navies destined for carrying on commerce, as well as in many other industrial organisations. The arsenals, factories, and dockyards which are required to supply the materials of war are indeed industrial organisations, and experience has shown that they can now turn out work as cheaply and as efficiently as private establishments. Moreover, Cabinet Ministers do not hesitate to say from their places in Parliament that the Government ought to be "among the best employers in the country," and to take rank "in the first flight of employers," that is to say, that cheap products should not be the only object

kept in view, but that the welfare of the workers should never be forgotten; and the arrangements which have been made for an eight hours' day in the Government establishments prove that it is the intention to translate these words into effective actions. Whether Government will go a step further and use its whole moral force, in its capacity of employer, as a lever to raise the condition of labour in the country, depends entirely on the education of public opinion and the consequent state of the public conscience.

In the general Civil Service the State is now a very large employer of labour, and most of the avenues to entrance are already thrown open to public competition. In this way the State not only endeavours to guarantee the ability of its employees, but also avoids the possibility of the charge of favouritism, although it may be doubted whether in all cases the best men are selected by the system. In the higher grades of the service the conditions are such as to attract men of the best ability and education, while in the lower the conditions of work are good, the salaries fair and the hours not excessive. The remuneration is such as to enable workers to live comfortably and to be comparatively free from anxiety for the future, for with good conduct their employment is certain, and there is generally a pension after the day of active exertion has passed.

The development of the work of the Post Office, with all its departments of telegraphs, savings-banks, parcel post and other agencies, is a remarkable example of State management about which all are practically agreed that it is carried on with great efficiency and with due regard to the convenience of the public and the welfare of the employees. At the same time, it is all in the direction of making the work of the individual more efficient.

It appears that the conditions of some of the employees of the Post Office are not so good as they might wish, but a gradual improvement is taking place, and it would be unfair to the community generally to make one comparatively small class much better off than those who are performing work of the same kind for private employers. In this as in all other matters the method should be evolution, not revolution.

The administration of justice has long been a State function not open to competition, and it is not denied that the work is performed both with efficiency and zeal. Proposals are in the air for the State management of railways, mines, and other industries, and these have been made, not by visionary enthusiasts, but by hard-headed business men who know all the difficulties connected with the work. The development which has taken place recently in many departments shows that all these proposals are quite within the sphere of practical politics, as soon as we seriously think of taking them up. In short, both economists and politicians are beginning to recognise, although in a blind half-conscious manner, that industrial society will not permanently remain without a systematic organisation, and that the mere conflict of private interests will never produce a well-ordered commonwealth of labour.

The industrial arrangements which should be taken under the direct control of the State are evidently those that are common to the whole people and which can be taken advantage of by them on exactly the same terms, and those necessary for the defence of the country. All those of a local nature should be under the control of the different local authorities who would be held directly responsible for their efficiency and economy by the electors, and be open to criticism

and advice regarding all details. In no case should they hinder the free development of the individual.

Mr. Frederick Harrison has remarked "that most of what is called Socialism is a perfectly healthy reaction against the pragmatical prejudices that profess to be Political Economy. The old Plutonomy, we may trust is dead and buried. Socialism is in the air; and is modifying the whole current of our politics and our legislation. So far as it has yet gone, it means in the main the moralisation of our social and political system; and we may wish it a long and victorious career. That it throws up a mass of crude and suicidal 'nostrums' is true enough. But these must be met by the practical sense of our political leaders and a more serious education of the people."¹

The Right Hon. Joseph Chamberlain, M.P., who has taken a very active part both in municipal and Imperial legislation and administration, thus describes the improvement which has taken place during the last half century chiefly in consequence of the action of these agencies:—
Social Results of Municipal and State Control.
"Pauperism has greatly diminished, and the poor rate is certainly less than half of what it was before the New Poor Law. Crime has diminished in quantity, and has on the whole been mitigated in its character. Education has been brought within the reach of every working man's child and within the means of every parent. Protection has been afforded against excessive toil and overwork; and the observance of proper sanitary conditions for labour has been universally enforced. The laws against combinations have been repealed, trade unions have been legalised, and the workmen are able to meet the employers on more equal

¹ *Fortnightly Review*, July 1893, p. 38.

terms in the settlement of the rate of wages. The care of the public health has been recognised as a public duty and enforced both upon individuals and the local authorities; the trammels have been removed from industry; the taxes on food and on all the great necessaries of life have been repealed; facilities of travel and intercommunication have been largely extended and developed; opportunities of self-improvement have been afforded to all at the cost of the community.” After speaking about the increase of wages, estimated at fifty per cent and more, the reduction of the hours of labour, averaging twenty per cent, the reduction in the price of bread, light, locomotion, the diminution of the death rate, and other improvements, he adds:—“An impartial examination of the facts and figures here set forth must lead to the conclusion that there has been a very great improvement in the condition of the people during the period under review, and this improvement has been largely due to the intervention of the State and to what is called socialistic legislation. The Acts for the regulation of mines, the Truck Act (preventing the payment of wages in kind), the Acts regulating merchant shipping, the Artisans’ Dwellings Act, the Allotments Act (enabling local authorities to take land and to provide allotments for labourers), the Education Act, the Poor Law, and the Irish Land Acts, are all of them measures which more or less limit and control individual action.”¹ All, or at any rate the greater part, of this will be admitted without dispute, but in order that the description may be made more complete we require to place alongside of it the sketch of social conditions which we have already

¹ “Favourable Aspects of State Socialism,” *North American Review*, May 1891. Quoted in Professor Ely’s *Socialism*, p. 259.

given,¹ and to pay special attention to the latter part of it which deals with the darker side of the picture.

A well-known Conservative writer has said, "What is popularly called Socialism in this country, so far as it has been embodied in any measure passed or even proposed in Parliament, does not embody what is really the distinctive principle of Socialism. Socialism, regarded as a reasoned body of doctrine, rests altogether on a peculiar theory of production, to which already I have made frequent reference—a theory according to which the faculties of men are so equal that one man produces as much wealth as another: or if any man produces more, he is so entirely indifferent as to whether he enjoys what he produces or no, that he would go on producing it just the same, if he knew that the larger part would at once be taken away from him."² Speaking of the works undertaken by the State, by municipalities and other similar bodies, the same author goes on to say:—"If we agree to call those measures socialistic to which the word is popularly applied at present, Socialism, instead of being opposed to Individualism, is its necessary complement, as we may see at once by considering the necessity of public roads and a police force; for the first of these shows us that private property would be inaccessible without the existence of social property; and the second that it would be insecure without the existence of social servants. The good or evil, then, that will result from Socialism, as understood thus, depends altogether on questions of degree and detail. There is no question as to whether we shall be socialistic or no. We must

¹ See p. 86.

² W. H. Mallock, *Labour and the Popular Welfare*, p. 291.

be socialistic, as we have always been, though perhaps without knowing it, as M. Jourdain talked prose. The only question is as to the precise limits to which the socialistic principle can be pushed with advantage to the greatest number.”¹

On the other hand, an eminent socialist writer has said that “the transformation either into joint-stock companies and trusts, or into State ownership, does not do away with the capitalistic nature of the productive forces. In the joint-stock companies and trusts this is obvious, and the modern State, again, is only the organisation that bourgeois society takes on, in order to support the external conditions of the capitalist mode of production against the encroachments, as well of the workers as of individual capitalists. The modern State, no matter what its form, is essentially a capitalist machine, the State of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage-workers—proletarians. The capitalist relation is not done away with. It is rather brought to a head. But brought to a head, it topples over. State-ownership of the productive forces is not the solution of the conflict, but concealed within it are the technical conditions that form the elements of that solution.”²

The Conservative believes in the advantage of such municipal and State undertakings as we have been considering, and says that the only question is as to the precise limits to which the socialistic principle can be pushed with advantage to the greatest number, while

¹ W. H. Mallock, *Labour and the Popular Welfare*, p. 295.

² Engels, *Socialism : Utopian and Scientific*, p. 71.

the Socialist admits that the spirit with which the work is carried on, and the objects which are kept in view, are the features which distinguish municipal and State ownership and management from Socialism.

We cannot in the meantime discuss all the meanings which have been given to the term Socialism, but it will be useful if we quote the opinions of a representative of the moderate school of Socialists.

“ The late Professor Held, who claims as a merit that he was the first to do so, explains very clearly what he meant by calling himself a Socialist. Socialism may mean many different things ; but, as he uses the word, it denotes not any definite system of opinions or any particular plan of social reform, but only a general method which may guide various systems, and may be employed more or less according to circumstances in directing many different reforms. He is a Socialist because he would give much more place than obtains at present to the associative principles in the arrangements of economic life, and because he cannot share in the admiration many economists express for the purely individualistic basis on which these arrangements have come to stand. A Socialist is simply the opposite of an individualist. The individualist considers that the perfection of an industrial economy consists in giving to the principles of self-interest, private property, and free competition, on which the present order of things is founded, the amplest scope they are capable of receiving, and that all existing economic evils are due, not to the operation of these principles, but only to their obstruction, and will gradually disappear when self-interest comes to be better understood, when competition is facilitated by easier intercommunication, and when the law has ceased from troubling and left

industry at rest. The Socialist, in Held's sense, is on the other hand, one who rejects the comfortable theory of the natural harmony of individual interests, and instead of deplored the obstructions which embarrass the operations of the principles of competition, self-interest, and private property, thinks that it is precisely in consequence of these obstructions that industrial society continues to exist at all. Strip these principles, he argues, of the restraints put upon them now by custom, by conscience, by public opinion, by a sense of fairness and kind feeling and the inequalities of wealth would be immensely aggravated, and the labouring classes would be unavoidably ground to misery. Industrial society would fall into general anarchy, into a *bellum omnium contra omnes*, in which they that have would have more abundantly, and they that have not would lose even what they have. Held declines to join in the admiration bestowed by many scientific economists upon this state of war, in which the battle is always to the rich. He counts it neither the state of nature, nor the state of perfection of economic society, but simply an unhappy play of selfish and opposing forces, which it ought to be one of the distinct aims of political economy to mitigate and counteract. Individualism has already had too free a course, and especially in the immediate past has enjoyed too sovereign a reign. The work of the world cannot be carried on by a fortuitous concourse of hostile atoms, moving continually in a strained state of suspended social war, and therefore, for the very safety of industrial society, we must needs now change our tack, give up our individualism, and sail in the line of the more positive and constructive tendencies of Socialism. To Held's thinking accordingly, Socialism and individualism are merely two contrary general

principles, ideals or methods, which may be employed to regulate the constitution of economic society, and he declares himself a Socialist because he believes that society suffers at present from our excessive application of the individualistic principle, and can only be cured by an extensive employment of the socialistic one."¹ We need not be frightened by names, but meantime cautious reformers may be assured that such works as have hitherto been undertaken by public bodies involve no new principle, and their utility depends entirely on their degree and extent, and the efficiency with which they are managed, due regard being paid to the interests of the workers and of the community.

¹ Rae, *Contemporary Socialism*, 2nd ed., p. 196.

CHAPTER X

INDUSTRIAL TRAINING

As I have already pointed out, the biological conditions of both individual and national life require ^{Introductory.} the continuous adjustment of internal to external relations. When the environment of the individual or of the nation changes there must be constant adjustments to meet the altered conditions or the results are either degeneration or death. But by well-directed efforts they both have great power to alter their environment, and the object of education at all times has been to fit those who received it for adapting themselves to the conditions necessary for well-being, and for making the most of their powers in one direction or another. In other words, real progress requires a simultaneous improvement of the individual and the environment.

In ancient Greece all efforts of the individual were subordinated to the welfare of the State, through which alone all his nature could be developed and completed. In modern times, however, the production of material wealth or the attainment of personal ambition has led to a perversion of the objects of education, and hence the many social difficulties by which we are now confronted. It is beginning to be perceived that the object of all political action should be the production of good

citizens, and that wealth is to be esteemed only for the higher moral and public aims which it may be made to serve. At the same time, the industrial requirements of education should receive careful attention, so that we may be able fully to utilise the resources of Nature, and thus add to the welfare and happiness of the community.

To prevent misunderstanding and to keep our discussion within reasonable limits it will be convenient to have a clear idea of what we mean by the terms "apprenticeship" and "technical education." Apprenticeship is the process of training which is undergone by any one who wishes to learn the practice of an art, craft, trade or profession. Technical education, on the other hand, is a term of more limited meaning and implies a general training in the principles of science and instruction in their applications to special trades or professions. This is the sense in which it is understood in the German Polytechnic Schools, and the more direct trades' instruction is given in what are called trades schools. In this country, however, no strict line of division is maintained between the work of the technical and the trades schools, and in many of our institutions we find a combination of the two, and the students, not only obtain instruction in the theory of their work, but they are also taught some of the operations connected with its practice in order to supplement their experience in the workshop, and if proper care be exercised in the arrangements, the results are likely to be very satisfactory. Of course, if we took the term "technical education" in its literal sense it would include both the theory and the practice of the work, but in this country the training of the technical school or college is intended to supplement that of the workshop or manufactory, not to replace it. In the workshop and trade class the

apprentice learns methods, and in the technical school the corresponding reasons; that is to say in the former he is chiefly taught to imitate, of course in an intelligent manner, whereas in the latter he is trained to think, and to apply his knowledge to such problems as he is likely to meet in the practice of his trade or profession.

A glance at the history of industry shows that it may be roughly divided into three periods:—(1) handicraft, in which were employed small master craftsmen with a few journeymen and apprentices, and where each worker produced the complete article; (2) manufacture, in which were grouped greater numbers of workmen who produced the complete article by division of labour, each worker doing a part; (3) modern industry, in which the article is produced by machinery driven by power, and in which the duties of the worker are limited to superintending and correcting the performances of the mechanical agent. In each of these periods a different kind of training was necessary for those who took part in industrial operations.

As we have seen in a previous chapter, one of the main objects of the mediæval guilds was to ensure the proper training of apprentices in the mysteries of their crafts. Before any were admitted to the rank of journeymen they were required to perform a piece of work which demanded considerable skill in manipulation as well as knowledge of the methods employed; for, although there was not much of what is at present called science, still there was among the members of the crafts a great amount of condensed experience and practical common sense, which after all is the best form of science.

As trade increased there was a gradual extension of

the family system of production, and the richer craftsmen employed some of the poorer or younger members as journeymen, and there was, in consequence, a certain amount of subdivision of labour. Thus was laid the foundation of the factory system, which is carried on to such an extent in modern industry.

The various Acts relating to apprenticeship were codified and consolidated in the reign of Queen Elizabeth, and their provisions extended to all the handicrafts of that time. Under this statute, which gave legal force to all the customs which had grown up round the handicrafts during centuries, no one could lawfully exercise, either as master or journeyman, any art, mystery or craft, or follow any employment or occupation unless he had completed a seven years' apprenticeship. Moreover every apprentice to a manual occupation was bound to remain in such position until the age of twenty-four years at least, although in agriculture twenty-one might be the end of the term. This Act long remained in operation in all trades which existed at the time it was passed.

The development of industry which was the result of the improvements in the steam engine and the invention of all kinds of machinery led to a great increase in the number of trades and to changes in the method of work. All these new trades were exempted from the operations of the Act, although many of them conformed to a considerable extent to its requirements. From five to seven years was considered the proper time for apprentices to serve and at the end of this time they ranked as journeymen and had to take their chance of finding occupation by proving their skill. As division of labour extended, this skill became more and more specialised, and the formal apprentice-

ships were to a large extent given up and boys and young men were simply paid for what their labour was considered worth. In the mechanical trades, however, five years is still considered the average time which young men require to serve as apprentices, although they are seldom formally bound for that period, and are subject to almost the same uncertainties of occupation as the journeymen, although the lowness of their wages causes them to receive the preference in dull times. Moreover they are generally kept in the same department, and very often at the same class of work, during the greater part of the time, and the consequence is that they are so seldom qualified to undertake general work, as was the case before division of labour was carried out to such an extent.

The ordinary apprentice is, as a rule, placed in a workshop and allowed to pick up his trade as best he can. For some time he runs messages and does odd jobs until he is able to use his tools, and gradually he makes his way to the more difficult pieces of work, wasting much time and a considerable amount of material in the process, for of real instruction there is little or none. What little he gets is by the generosity of the workmen, and it must be admitted that if he shows any attractive qualities he generally finds some one to take him by the hand. He thus acquires a certain amount of manual skill through the dull routine of his daily work, but unless he exerts himself and studies privately or takes advantage of evening classes, as a rule he grows up an uninstructed man and an indifferent workman. When he has finished his years of apprenticeship, he generally becomes a member of his trade union and then claims to be paid at the same rate as the average of his fellow-workers.

It is evident that the conditions of apprenticeship Educational in the workshop or manufactory are not sufficient to give all the training necessary to required to meet present those who are to be engaged in carrying on conditions. trade and industry. They are one-sided and imperfect and require to be supplemented by a knowledge of the theory of the work and by opportunities for obtaining a more general acquaintance with the different departments and of their relations to one another. Hence the demand for scientific and technical education to supplement the training and experience of the workshop or manufactory. On the Continent and in America trades schools are becoming very common, and in these the scholars are supposed to obtain such a training as will enable them to earn their living, but except in very special cases these schools are not likely to be adopted in this country, at least for a considerable time. The factory and the workshop will continue to be the chief places for practical training and they will be supplemented by the work of the technical school and the evening class.

In the Glasgow and West of Scotland Technical College (this being the institution in this country with which I am best acquainted) there are courses of instruction in the following departments of applied science, namely :—

1. Civil Engineering	6. Chemical Engineering
2. Mechanical Engineering	7. Metallurgy
3. Naval Architecture	8. Mining Engineering
4. Electrical Engineering	9. Agriculture
5. Architecture.	

The ordinary courses of study extend over three years, and are educationally on about the same plane as university or college classes and they represent fairly well the main departments of professional industry.

For the great mass of the people, however, it is quite

evident that for some time to come almost all the higher and special education must be given in the evening classes, and this in conjunction with the practical training in the workshops during the day will produce better results than a highly elaborate system of day schools. British engineers and British workmen generally have been able to hold their own with their Continental competitors in almost all the chief industries, on account of their good practical training and sound common sense, two faculties which are not possessed in marked degree by those who have spent an undue proportion of their time at schools or colleges. Such institutions may make arrangements for a more systematic course of instruction in the subjects relating to a trade, but they cannot impart the true spirit of the manufacturer, which is only to be got in the atmosphere of the actual workshop or factory. The combination of experience in the workshops and study in the evening classes prevents that disinclination to hard manual work which not infrequently accompanies long continuance at a college or university. Social health depends upon men doing "the duty which lies nearest them" well, and the first duty of workmen is to be able to use their tools in an efficient manner, and a smattering of science will afford little help to them in this.

The evening courses in the Glasgow and West of Scotland Technical College are—

1. Mathematics and Physics	8. Mining
2. Chemistry	9. Metallurgy
3. Mechanical Engineering	10. Agriculture
4. Naval Architecture	11. Chemical Industries
5. Electrical Engineering	12. Textile Industries
6. Architecture	13. Art Industries
7. Building Construction	14. Commerce.

These are wide enough to include all the industries of the country, for the earlier parts of the courses are devoted to the more general subjects, and the latter more particularly to those which the students require in their daily work.

If we had a proper and adequate system of elementary and secondary education, the great majority Arrangements for the training of apprentices could get all they required in the way of further

formal instruction from properly organised evening classes during the time they were serving their apprenticeships. No one should be considered a journeyman until he is twenty-one years of age, however long he may have been in the workshops, although those who had been at least five years should be ranked as improvers and receive wages in proportion to their skill. This stipulation is necessary to ensure a proper physical development and, in order to encourage that still further, overtime should be absolutely forbidden to all under twenty-one, and even beyond this age should only be allowed in special emergencies. Probably, however, the stipulation would not be necessary after some time, for in almost all the trades requiring skill and knowledge sixteen is coming to be regarded as the proper age for an apprentice to start. Moreover there is a growing demand among the working-classes and especially among the trade unionists that full opportunity should be given for the physical development of boys and girls; they are beginning to see the economic bearings of the subject, and especially that the extensive employment of young persons leads to the reduction of the remuneration of adults. They in short recognise the importance of securing that the workers of the future shall not only be adequately trained in mind but also properly developed in body.

A minimum of at least three years in the workshops should be required of all who are admitted as journeymen. Arrangements would thus be made which would suit the convenience and acquirements of boys both from the elementary and the secondary schools, and also of students of colleges and universities, for it would evidently be unfair to subject all to the same length of apprenticeship. The latter class especially would be able to make more rapid progress than the younger boys, not only on account of their greater age, but also because of their better preliminary training.

If the trade unions and the employers took an interest in the training of apprentices, the problems of technical education would soon be solved at comparatively small expense. All apprentices should be required to attend an evening school two or three evenings a week, and no certificates of apprenticeship should be given except to those who have fulfilled the required conditions, both as regards theory and practice.

There ought in my opinion to be three grades of examination. The first should be suited to the acquirements of those who have been in the workshops for at least five years, and who have attended a few elementary classes in general subjects and in the theory of their special departments. This examination need not be very difficult either on the theoretical or practical side, but should be sufficient to test whether the candidates were able to do an average day's work, and at the same time knew the elements of the principles involved. The second grade should have a higher standard in the theoretical subjects, and those who passed it should get off with four years in the workshops as apprentices; while the third should be higher still, and only require three years in the workshops. These two latter examin-

ations would be taken by those who aimed at being foremen or managers, and those who had had special opportunities at school or college.

These examinations should be conducted by joint committees of employers and employed, assisted where necessary by special experts either in theory or practice, somewhat after the manner of the craft guilds of the Middle Ages. We require, in short, a development of the trade unions and the associations of employers into modern trade guilds. We will consider the possible constitution and some of the main objects of these guilds in a subsequent chapter; but it is evident that one very obvious function which they would perform would be the regulation of the conditions of admission of members and the method of their training.

The education of our artisans, both in theory and practice, should be as complete as possible, so that the mobility of their labour may be increased and they may be able to change—within certain limits, of course—the nature of their occupation, and thus adapt themselves to any modification which may take place in their environment, and so be in a position to reduce the hardship which would otherwise arise. We are still a long way, however, from the time, which must come eventually, when compensation will be given for disturbances and losses arising from economic causes beyond the control of those directly affected.

The combined training in theory and practice given in the manner I have described would as a ^{Special} Schools and rule be found sufficient, but in certain in- Classes. dustries, especially those of an artistic nature or demanding minute manipulation, it might be necessary to have special classes to supplement the

training to be obtained in the workshop or manufactory. Moreover, in the mechanical departments the work has become so specialised that it is advisable to give opportunities to the apprentices of obtaining a fair knowledge of departments other than those in which they are chiefly engaged. Besides, there are many members of the community who, although they may not wish to learn a trade, will find it useful or enjoyable to employ part of their leisure time in mechanical or artistic pursuits. For all these, special trade classes or schools will be necessary. The actual practice of the trade, however, should be confined to establishments which are conducted on commercial principles, so that the learners may be kept in touch with the latest developments and requirements. There can be little doubt that as society evolves, and municipal and State undertakings increase, Ruskin's ideal will be attained, and there will be Government establishments for every trade, in which all youths so desirous will be received as apprentices on their leaving school. In fact these establishments will simply be extensions of the schools, and will form their necessary complements, and the apprentices will be thoroughly trained in their trades, and not, as is too often the case at present, be employed simply on account of the cheapness of their labour. As the community benefits by the improvements which take place in industry, it is no injustice to require it to pay for the training of those who carry on that industry. Such an evolution must be brought about very slowly, for unless accompanied by an intellectual and moral development, it might lead to disastrous consequences.

The scientific training required in the different departments of agriculture is now beginning to receive

the attention it deserves, and classes are being instituted all over the country, in connection with which practical training is also given in some of the subjects. In this, however, as in other departments, it is highly desirable to insist on systematic study and training, and not to be content with short courses of popular lectures, which too often only fritter away both time and money, and lead to few useful results. At the same time it would be quite possible to give such instruction in agriculture and horticulture in our public schools, and especially in the evening classes, as would lead to a very great development of their practice among the people generally.

The number and nature of the classes required for instruction in the subjects connected with special industries would vary according to the requirements of the different districts. The programme and syllabuses of the City and Guilds of London Institute represent not only the chief industries in the country, but also indicate very fairly the manner in which the subjects ought to be treated, and the course of study which is necessary for anything like a complete curriculum. Those who are taking an interest in the organisation of such classes should consult these syllabuses, and modify them to suit local conditions.

It must be recognised that the mere organisation of educational institutions is not sufficient to make the more practical parts of education a real success. It must be supported by the action of the employers of labour and by the force of public opinion. If the employers had a real appreciation of the need of improved education, and if the public, instead of hunting after cheap bargains, encouraged the production of good work, the schools and colleges would be in little danger

of want of support. This is especially true of those connected with art. We may rest assured that so long as the public are content with cheap imitations, so long will speculators meet their demands, and real craftsmanship be impossible.

In every department of industry which requires technical knowledge or skill, or involves the safety of the workers or of the community, there should be security for professional or trade capacity. This should be proved by such examinations as I have suggested, which would be carried out by the various educational and trades organisations. Moreover, attention should always be paid to moral capacity. This cannot be tested so directly as that employed in the profession or trade, but persons who have been found guilty of misconduct or culpable negligence should for some time be deprived of their right to practise their trade or profession, at least in any public capacity.

One of the most important branches of technical education is that which fits for commercial work, for without it a great part of the advantages gained by higher technical skill in art and industry may be lost. On the Continent it is usual to have special institutions for commercial training, but in this department as well as in the more strictly technical it is better to follow the British custom of giving preference to the practical side of the work. Here again the evening classes will perform a most useful function.

If the scholars have obtained a good general education in a secondary school, in which special attention had been paid to modern languages and the other subjects of importance in commercial pursuits, the majority of them could easily obtain all they required in addition

from properly organised evening classes. These, in combination with the practical training to be acquired in the counting-house or manufactory, would afford a more generally useful introduction to mercantile work than could possibly be given in any special educational institution which had no connection with practical business. If merchants and others insisted on all those who entered their offices holding the leaving-certificate of a good secondary school, and if during their apprenticeship they further insisted upon their attendance on a certain number of evening classes and obtaining a higher commercial certificate, the problem of commercial education could be easily solved.

The colleges and universities, however, might supplement the work of the evening classes. There are many subjects taught in these institutions which might be of great service to those engaged in commerce or industry, and there are no reasons why a class should not be taken each year, after the young men have commenced business, or at any rate after they have completed the course of the evening classes. Moreover, this combination of study and work would not only be a good thing in itself, but would also add to the enjoyment of those who took part in it, by making their lives fuller in the true sense of this term.

In this country some employers insist on all their apprentices taking advantage of evening classes which bear on their trade, and require them to show that they have a fairly good knowledge of the theory of it before they complete their apprenticeship, but this practice is neither universal nor systematic. The amendment to the German Industrial Code which was passed in 1891 lays down very strict regulations on apprentice relations,

and contains the following enactments :—“The master shall be bound to instruct the apprentice in all branches of the work of the trade forming part of his business, in due succession and to the extent necessary for the complete mastery of the trade or handicraft. He must conduct the instruction of the apprentice himself, or through a fit representative expressly appointed thereto. He shall not deprive the apprentice of the necessary time and opportunity on Sundays and holidays for his education and for attendance at Divine Service by employing him in other kinds of service. He shall train his apprentice in habits of diligence and in good morals, and shall keep him from evil courses. The apprentice shall be placed under the parental discipline of the master. He shall be bound to render obedience to the one who conducts his instruction in the place of the master.” The relations may be dissolved on the part of the apprentice “if the master neglects his legal obligations towards the apprentice in a manner endangering the health, morals, or education of the apprentice, or if he abuses his right of parental discipline, or becomes incapable of fulfilling the obligations imposed upon him by the contract.” Portions of these regulations are somewhat too grandmotherly to suit our ideas ; still they indicate the nature of the arrangements which are necessary in order to make the training of apprentices really efficient.

We must avoid the mistake of supposing that scientific and technical education by itself will be sufficient either for individual or national wants. A man’s usefulness depends much more on what he is than on what he knows, and industry, courage, endurance, and integrity are much more valuable qualities than the ability to pass

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examinations either in general or technical subjects. Technical training by itself may make useful appendages to machines, but it will never make leaders of men, who are qualified by their trained intelligence and liberal culture to organise and guide the great industrial undertakings of the world, not only through their technical but also through their economic difficulties. It is quite evident that the problems of the future which will demand the greatest amount of attention will be of an economic and not simply of a mechanical nature ; and they will require for their solution men who have been educated in a most thorough manner, and thus fitted to understand all the factors of which they are composed. If we wish our country to retain its position among the foremost nations of the world, we must recognise that neither technical skill nor scientific knowledge will avail much unless they are combined with breadth of economic and political vision, and with depth of social feeling on the part of the citizens. The culture of the individual is therefore among the prime necessities of human well-being, and it is a grave mistake to attach exclusive importance either to outward circumstances or to the training required for practical work. All experience proves that the spiritual is the parent and first cause of the practical, and the economic history of the Middle Ages especially shows us that an ounce of manly pride and enthusiasm is worth more than a pound of technical skill.

Aristotle more than two thousand years ago expressed the opinion that education should be adapted to the conditions of each country, and particularly in democratic countries education should prepare the young for democratic institutions ; and this opinion was embodied in the old Greek education. Our legislators have only

recently discovered the importance of this aspect of education, and have tried to embody it in our national system. The syllabus on "The Life and Duties of the Citizen" which appears in the Code for Evening Continuation Schools, should, if properly used, be of great service to teachers in indicating the main points which require their attention ; and if the instruction be intelligently and faithfully given, it should before long help to remove some of our social difficulties, not only by the information which is given regarding our national institutions, but much more by the principles which ought to be kept in mind by all citizens, and especially by directing attention to the fact that, as the individual benefits from a well-ordered community, so the community ought to benefit in its turn from the efforts of the individual, and that "all for each" should be requited by "each for all."

Moreover, it must always be remembered that industrial prosperity is impossible without due attention to physical conditions ; and hence a very necessary part of the education of the workers is a sound knowledge of the laws of health, and a determination not only to conform to them personally, but also to insist on the community generally conforming to them. As Professor Huxley has pointed out : " Our sole chance of succeeding in a competition which must constantly become more and more severe, is that our people shall not only have the knowledge and the skill which are required, but that they shall have the will and the energy and the honesty, without which neither knowledge nor skill can be of any permanent avail. This is what I mean by a stable social condition, because any other condition than this, any social condition in which the development of wealth involves the misery, the physical weakness,

and the degradation of the worker, is absolutely and infallibly doomed to collapse. Your bayonets and cutlasses will break under your hand, and there will go on accumulating in society a mass of hopeless, physically incompetent, and morally degraded people, who are, as it were, a sort of dynamite which sooner or later, when its accumulation becomes sufficient and its tension intolerable, will burst the whole fabric.”¹

It is a good many years since Professor Fawcett expressed the opinion that “probably the greatest good to be ultimately anticipated from education is to render possible the realisation of higher forms of social industrial development.”² “It seems,” he said, “to be too frequently supposed that the way in which industry is at present carried on is necessary and inevitable. If this were so, we might despair of future progress; it is impossible for a country to obtain a position of high social advancement if the various classes who are concerned in industry are as completely separated from each other by distinct pecuniary interests as they are in England at the present time.”

Professor Fawcett was strongly in favour of the co-operative movement, although it seems to me he failed to perceive its logical developments. A necessary adjunct to industrial training is instruction, not only in the duties and responsibilities of citizenship, but also in the relations of the different social movements which are all going on at the same time, in order to ascertain how far they are all tending in the same direction. A careful study will show that individualism, co-operation, trade unionism, and the various forms of municipal and State control are alike necessary for the social and

¹ Collected works. *Science and Education*, p. 447.

² *Poverty, its Causes and Remedies*, p. 143.

industrial organisation of the future ; and although in some respects they may seem to be opposed, they are all tending to a state of society in which the welfare of all the members will be the chief object kept in view, and under which the conditions will allow, at least in all artistic products, the free play of individuality, and without which there can be no real pleasure to the workers.

Probably the most important department of technical education in the future will be that in which the students are trained to apply art to industry, for not only will it be of great and increasing value from an economic point of view, but it will add immensely to the happiness of the workers, and revolutionise our ideas regarding the organisation of labour. It is, indeed, to the reorganised workshop that we must chiefly look for the basis of Citizenship, for the general social conditions of the people depend to a very large extent on the conditions under which they do their work.

One of the most marked results of the modern system of competitive commerce has been the suppression of popular art, so that the greater part of the people has no share in it. It is for the most part kept in the hands of a few rich or well-to-do people, who seem to patronise it chiefly for the purpose of gratifying their own vanity. Their houses are filled with expensive objects, each charming in itself, but out of harmony with all the rest. In many palatial residences everything is equally new and equally innocent of the imprint of the owner's personality. The rooms have been handed over to the upholsterers and decorators, and while they call forth rapturous commendations from those who do not realise the difference between a

dwelling-place and a shop, they are entirely awanting in the true artistic spirit.

In the present day the artist and the workman are seldom if ever combined as they were in the Middle Ages. The workers have thus not merely lost the natural solace of their labour, but also the means of expressing their personalities through it. They have in fact become for the most part mere appendages to machines or parts of a mercantile system under which it is impossible for true art to flourish. If we had an adequate system of art instruction under suitable conditions, and high ideals of duty and of life, there would soon be brought about a combination of art with daily work, and especially with industry, which would not simply add to the happiness of the workers and the people generally, but also to the real wealth of the country ; for art products are the only permanent ultimate products of human industry.

As the artistic spirit developed it would more and more find its expression in the civic and national life, and its great efforts would be exerted on our municipal and national buildings and monuments. In ancient Greece art existed for the people, and the artists worked not for individuals, but for the nation, and the public buildings embodied their ideals of form and beauty. In Italy during the Renaissance, the supreme efforts of the artists were put forth for the people, and the churches and palaces of the land were the great art museums of mediæval times. In Britain also during feudal times the same was true. Some of the old ideals are beginning to revive in the minds of our modern civic authorities, and attempts are made, it must be confessed very often in a not very artistic manner, to make our cities beautiful, and to provide opportunities to the

citizens of studying works of art and enjoying good music. When these have extended, the demand that their daily work shall be pleasant will be strengthened, and then art will be representative of social and industrial conditions, as it was in the Middle Ages.

The civic and national institutions for the teaching of the highest forms of art and for the display of the best specimens would gradually become the most important in the land, and would be open to all classes of the community who were able to make proper use of them. They must, however, be kept free from all unnecessary officialism and routine, which crush out originality, and convert the students into hod-workers quite as much as the worst forms of the factory system. True artists, on the other hand, become creators of vital forces, and their influence endures long after the acts of the statesmen and rulers of their times have been forgotten.

In the older professions of the Church, Law and Medicine, it is possible to draw a line which will include all the members, for the entrance to each is strictly guarded by conditions which prevent all who have not conformed thereto from exercising the functions or enjoying any of the privileges of membership.

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In the new professions connected with industry it is at present neither possible nor desirable to attempt to draw any such line. The boundary between handicrafts and scientific pursuits is becoming effaced. The name "engineer," for instance, is applied to persons who not only follow many different kinds of occupation, but also whose qualifications and training are of very different standards, and is made to include simple operatives and distinguished men of science. Indeed,

many of the most distinguished members of the profession have commenced at the lowest positions as tradesmen, and by the force of their genius and a process of self-education have carried out some of the greatest works in the world. There can be little doubt, however, that such men are becoming scarcer, and the tendency is for each department of industrial work to become more and more specialised, and to have a course of training suited to its requirements. The numerous societies and institutions which are being founded, moreover, all tend to guard the entrance to the various industrial professions, and to regulate the course of training as in the case of the older professions, although still in a somewhat haphazard manner. A certain number of years in a responsible position, which generally implies considerable practical experience as well as theoretical knowledge, is the usual condition of admission. The responsibility of estimating the professional position of candidates is thus thrown on the public, and especially on the employers of labour. Some of the industrial professions and trades have now an entrance examination, which admits at least to the lower grades of their membership. This is especially desirable when the work to be done is closely connected with the health or safety of the public, and no doubt ultimately each branch of industry will have its special requirements as regards training both in theory and practice. Still it must always be possible for those who have duly qualified themselves to pass from the trade to the professional part of their work, and on the other hand it is necessary that those who begin with the prospect of the higher work should have sufficient practical experience to enable them at least to understand all the operations involved, although they may

not be able to carry them out personally. These latter, as a rule, will take a College or University day course, either before or along with their practical training in the workshop or manufactory, and thus obtain a knowledge both of the theory and practice of their profession. By selecting a suitable course of study, the students will be able to obtain a good general training in the theory of their work, and they can afterwards easily add such special subjects as they find necessary.

A great deal might be said about the higher day classes in schools and colleges for instruction in scientific and industrial subjects, and of the courses of study carried out in them; but, for details, reference must be made to special papers and books, and to the prospectuses which are published regarding them. In all, the instruction should be made real and thorough by means of experimental and graphical work, and the aim of the teachers should always be to cultivate the thinking powers of their students, and to enable them, from the data which may be supplied to them, to solve the problems which are likely to arise in the practice of their profession.

To those who are not able to take advantage of such day classes, and who must begin with the ordinary routine of the workshop or manufactory practice, the evening classes afford the means, not only of qualifying in the theory of that practice in the manner which I have described, but also of rising to the higher professional parts of their work. Advanced evening classes are now conducted which are on an educational level with many college classes, while the assistance which is available to properly qualified students in the shape of bursaries and scholarships is sufficient, at least with

an effort on their part, to enable them to pass to the day classes and receive the highest training possible.

One of the most useful functions of the evening classes is therefore to act as what have been called "capacity catchers," or steps in the educational ladder which allow all the latent intellectual power in the community to be fully taken advantage of. The tendency of our national system of education is to reduce all minds to the same level and to mould them to the same pattern. Probably this is inevitable to a certain extent, but if proper methods of instruction were adopted it might be minimised. Individual thought should be stimulated as much as possible, and free play given to the full development of personal capacity. Probably for those who are to be engaged in industrial occupations this is not to be best done by first subjecting the scholars to a long and uniform school or college discipline which will drive all originality out of them, but by a judicious combination of practical work with study in the evenings, or preferably in the afternoons. Those who undergo a training of this kind will as a rule turn out the most useful members of society, in every sense of the term, for they will be disciplined by practical experience and by intellectual effort, and have sufficient energy, perseverance and force of character to enable them to overcome any difficulties which may come before them. A too exclusively theoretical course of training is very apt to generate a dislike for practical work, and a type of mind of a narrow kind. Those engaged in industrial occupations should take a broad view of their work in the world, and assist in carrying it out in such a manner as will benefit not only those directly concerned, but also the whole community. In order that they may do

this in an effective manner they should not confine themselves to those subjects which are of direct application in their work, but they should also take up those of a more general nature, which would enable them to rise above their own narrow sphere, and look at things in a broad and liberal spirit and to increase their own happiness and the welfare of humanity. The detailed consideration of those more general subjects must be left to another volume.

CHAPTER XI

MODERN INDUSTRIAL GUILDS

ONE of the chief results of a thorough system of national education, in which special attention was paid Introductory. to civic duties, would be, as I have already stated, to raise an ideal of the objects of life and of the organisation of industry, which would enable the great body of the people to attain a much higher degree of welfare than is at present possible. In the process of evolution towards this ideal, the agencies which at present control industry would be modified and their aims and objects considerably elevated.

As we have seen, the trade unions and the combinations of employers are at present chiefly fighting machines for maintaining the economic interests of the members, although some developments are taking place which indicate a wider sphere of interest, and a broader, less selfish spirit. There is still room for improvement. While the conditions of society are being raised by education and legislation, the members of the unions should at the same time try to lead public opinion, not only as regards their own trades, but also in all matters of common interest.

The aim of those who are leaders of the different movements should be to return, to a certain extent, to the fundamental ideas of the mediæval guilds, and

organise modern guilds, composed of groups of men and women animated by common principles of religious and industrial faith, and united for the satisfaction of the permanent needs of human life. Such a faith is the only force which can keep together any form of associated society, and such a faith will grow. While the older forms of religion may be modified or disappear, their places will be taken by others founded on a wider inspiration of science and philosophy, which will unite all the members of the community in the common object of advancing the social welfare.

Membership of such guilds should be considered one of the essential duties of citizenship, and should be enforced, if not by positive enactment, at least by public opinion. Like the physical body, the social body must have an adequate organisation in order that its functions may be performed in an efficient manner, and that it may be enabled to remain in a healthy condition. I have said that the trade union has been called the public school of the working man: the industrial guild might become his university.

Such an ideal is being entertained by the most enlightened representatives of the trade unionists. One of them has said, "Everywhere we are met with the cry that we are losing our trade because the quality of our manufactures deteriorates. Under the existing system they will continue to do so until our trade policy becomes 'better work' rather than 'more work.' Everything is being sacrificed to the cry of 'more work' and even the character of the workers will suffer as long as this is made the first object. A modern trade guild might therefore fitly consider if the old apprenticeship system might not be revived with interest and advantage to all concerned. The division of labour is now carried

out to such an extent that the good all-round workman of the old-fashioned stamp is more and more difficult to meet with. Employers frequently complain that they cannot obtain such men, oblivious of the fact that their own method of using boy labour is entirely to blame for the evil. The boy is not now trained that he may become a generally skilful workman, but that he may produce as much profit as possible to his employer. To make the boy a master of his trade is no part of the bargain. Such guilds might also take up the kindred subject of technical education, so closely allied with that of the workshop training of the young. Even apart from the employers, it would be to the advantage of the Unions to assist the spread of technical knowledge among their members, by raising scholarships and establishing classes to develop among their members the scientific knowledge of their trades. To give to them the brains as well as the manual skill of their industry, will not only do much to keep down the number of their unemployed and increase their membership, but solidly impress upon the minds of the employers that unionists are indeed the pick of British artisans. This may be deemed a somewhat Utopian idea, but in an age when the increasing severity of competition for the work of the world makes absolute co-operation between capital and labour more and more a national necessity, I hope to see the practical accomplishment of this ideal."¹ With such an organisation it would be possible to meet all the reasonable demands of labour without much difficulty.

As social and economic conditions improve there will be a gradual approximation between the objects
Objects of the Guilds. and methods of the different industrial organi-

¹ John Burnett, *The Claims of Labour*, p. 37.

sations, and by the integration of their effective components there will be evolved new organisations, which will include all classes of the community—workers, employers and the general public.

These modern industrial guilds, as they might be called, will take steps to ensure the adequate training, both in theory and practice, of the workers, somewhat in the manner described in a previous chapter, and at the same time give every encouragement to the cultivation of the general intelligence of the members and especially as regards their civic duties and responsibilities. It is a common complaint against trade unions, that they obstruct the production of wealth, by discouraging industry and improvements in machinery or management, that they do little or nothing to improve the skill of their members and take no direct interest in their civic education.

There can be little doubt that there are some grounds for these charges, and the guilds should see it to be their duty to have them removed and endeavour to make their members as efficient as possible, not merely as workers but also as citizens. In order to meet the modern requirements in the different departments of industry, joint committees of employers and workers, under the regulations laid down by the general body of members should carry out all the arrangements necessary to enable the apprentices to obtain a thorough training in their own departments, combined with a general knowledge of cognate departments and of civic duties, in such a manner and to such an extent as would lead both to the production of the maximum amount of wealth, and to the greatest amount of public welfare. In order that this may be the case, information should be collected regarding the state of the labour market in

different parts of the country, and in different countries, the various educational institutions and arrangements of use to the members, and the financial and industrial questions in which they are interested. The discussion of these and similar subjects at the meetings of the members of the guilds would become a most effective means of education and lead to the formation of a sound public opinion regarding them.

The guilds moreover should watch over the economic interests of the members and take care that each obtained a fair share of the products of their work, that they had regular employment, moderate hours and healthy conditions of labour, that they were adequately supported when accidents or ill-health befell them, and that, when they were no longer able to work, they obtained a moderate provision for their declining years. The more general wants of the members, and especially those of an educational and social nature, should also receive attention, so that their lives might be rendered more complete and happy, and their efficiency alike as workers and as citizens promoted. Moreover, while protecting the interests of those immediately connected with them, these organisations would also keep in view the interests of the public generally. This they would be able to do by a system of federated agencies which would keep the members well informed regarding social and economic conditions and thus enable them to solve many of the problems which are now confronting us. Especially would the great fluctuations which are the main causes of the dislocations of industry be much reduced in extent, for improved statistics and increased facilities for locomotion would do much to equalise supply and demand both of products and workers.

Steady wages and constant work should be aimed

at rather than high wages and irregular employment, which have a most demoralising effect on all concerned. Agreements should be come to between the employers and the workers which would fix wages over a considerable period, at least when these did not depend directly on the prices of the goods produced, and when they did, they should be regulated automatically by means of a sliding scale, suitably graduated and with a minimum point which allowed sufficient for healthy existence. It should be possible for both employers and operatives to store sufficient wealth in busy times to act as a fly-wheel or reservoir when there was a tendency for trade to be slack. Such an arrangement would also enable the employers to make contracts over considerable periods with some degree of certainty, and this would increase the steadiness of trade. When a great advance of wages is demanded on the first appearance of a slight improvement of trade, all chance of the continuance of that improvement is effectually stifled. The introduction of new machinery is a not infrequent cause of the dislocation of industry, and such an agreement as I have indicated might lead to the formation of a fund which would alleviate the hardships caused by sudden displacements of labour.

There is another vexed question often raised by trade unions which would receive the careful attention of the guilds, that is the proportion of apprentices to journeymen employed in the different trades. This is eminently a question affecting the relations of different trades to each other and to the whole community. If children are brought into the world, work must be found for them somewhere, and this brings up the everlasting population question. To me it seems that the principal value of the discussion of the apprentice question, is the

necessary study which it involves of the growth of population on future social and economic conditions, and that it will impress on men and women before marriage, their responsibilities and duties in the state which they propose to enter.

Our space will not allow us to consider all the details of the arrangements connected with the modern industrial guilds, as they practically include all that is necessary for the welfare of their members. Society can exist in a high state of efficiency only when there is direct responsibility brought home, not only to individuals, but also to groups of individuals having the same interests and living under the same conditions. Even when conditions become more equalised than they are at present, such industrial and social connections would greatly help to keep society together. At the same time care must be taken that they do not degenerate into narrow castes, which not only sacrifice the individuality and variety of their members, but also laminate society into disunited strata. They should rather do all in their power to cultivate originality and individuality among the individuals and solidarity in their corporate capacity and as citizens, for these qualities are essential elements in human progress. No matter how much some of the functions which have been described may be socialised or taken over by the State or the community, there will always be ample room for the exercise of the brotherly attentions of the members of the guilds to each other.

It is probable indeed that the guilds would take over some of the functions at present undertaken by the State or the community. They would, for instance, evidently render unnecessary a great deal of the Factory legislation and the machinery connected with it which,

as I have pointed out, should only be looked upon as a transitional provision for helping those who at the time were unable to help themselves. The functions (or at least the greater part of them) which have hitherto been connected with it, could be much more efficiently undertaken by the great associations of employers and employed, or of representatives selected from them, combined with active public opinion and an ever vigilant Press. This indeed should be the aim in every department of life so that an improved condition of individual and collective morality might render the greater part of restrictive legislation unnecessary.

No doubt, when these industrial guilds were fully developed they would contain within themselves all that was needed for the settlement of disputes or the smoothing over of difficulties, but for a considerable time it will be necessary to have intermediate bodies between the employers and the workers to discuss and settle all differences which arose about economic or social conditions. As I have already pointed out, these bodies are beginning to take shape in the Boards of Conciliation and Arbitration which are now being formed in different parts of the country.

The great majority of disputes arise from misunderstandings which would generally be prevented by intelligent discussion, and no doubt the local Boards would be able to settle most of them in a satisfactory manner, but if they failed to do so, the cases ought to be referred to a permanent Board of Commissioners, elected partly by employers and partly by the trade organisations, and under Government supervision. The decisions of such a Board would not fail to command, in the majority of cases, the confidence and obedience both

of workers and employers, for neither party would dare to go against public opinion.

Arnold Toynbee had great faith in the development of these Boards. He said : " If I might trust myself on the unwise ground of prediction I would point out that Boards of Conciliation may grow into permanent councils of employers and workmen, which—thrusting into the background, but not superseding Trade Unions and Masters' Associations—for these must long remain as weapons in case of last appeal to force,—should, in the light of the principles of social and industrial science deal with those great problems of the fluctuations of wages, of over-production and the regulation of trade, which workmen and employers together alone can settle. However remote such a consummation may appear and to many it must seem remote indeed,—of this I am convinced that it is no dream, but a reasonable hope, born of patient historical survey and sober faith in man's higher nature. And it is reasonable, above all in England, where owing to continuous, unbroken history, some sentiment of mutual obligation between classes survives the dissolution of the ancient social system."¹

Industrial disputes or differences seldom take place when both sides—employers and employed—are well organised, and when they arise they are quickly settled. Disputes are lengthened and struggles prolonged much more by one section of the workers, and occasionally of the masters, competing with another, than by differences between employers and employed. It seems, therefore, reasonable that industrial differences should be settled, not by the individuals concerned (except of course in matters of detail), but by the corporate bodies to which they belong.

¹ *The Industrial Revolution*, p. 201.

Representatives of these bodies, with in some cases the addition to both sides of one or two specialists, should be formed in each district into Boards of Conciliation and Arbitration for all the main groups of trades, which would be able to settle the majority of the disputes that arose without having recourse to the cruel methods of strikes and lockouts. They would also in many cases be able to advise concerning the arrangements which are necessary to prevent difficulties. For national interests there should be central Boards which would also serve as Courts of Appeal from the local Boards. With an organised system of employers and trade unions there would be sufficient influence behind the Boards to cause their decisions to be respected without any further compulsory powers. In such matters it is better to depend on the force of public opinion than on legal measures, as has sometimes been suggested, for no party could hold out long which was not supported by this opinion.

With organised trade unions on the one side, and organised employers on the other, we have simply two immense armies drawn up in battle array, and a contest results in immense loss and suffering. But with a Board of Conciliation and Arbitration between them, representative of all that is best on both sides, and with a growing feeling among both parties that wrongs are not to be righted by brute force, but by reason, and that even personal welfare and happiness are found, not in the pursuit of selfish ends, but in the individual forgetting himself and making the community his other self, it would be possible not only to settle such difficulties as arose, but also to cause circumstances to evolve in such a manner as to prevent all difficulties in the future.

The present Trades Union Congress might be de-

veloped into real Labour Chambers, in which both employers and workers would be represented, and they would exercise much more influence on Parliament than they do at present with their too rapid methods of dispatching business. If measures affecting industry were discussed by such an assembly, from all points of view, and the decisions embodied in resolutions or draft Bills there can be little doubt that they would soon be passed through Parliament, and the interests of labour would thus be adequately attended to. Moreover if they were co-ordinated with the Chambers of Commerce, Shipping and Agriculture they would gradually bring the whole industry of the nation into line, and thus cause a more equitable distribution of wealth. They would collect and distribute information on all points affecting the prosperity of the trades as a whole, and of course they would always keep in view the condition that such prosperity must not be bought at the expense of the rest of the community or of the nation.

As the economic conditions of the workers affect all Wages of the their other conditions the most important Workers and problems to be decided by the Industrial the Problems connected Guilds, or should they be unable to arrive at with them. a settlement satisfactory to all parties, by the Conciliation and Arbitration Boards, will be the arrangement of the rates of wages and the hours of work for the different departments of industry. These subjects open up many economic problems, and all we can do at present is to note a few of their most important aspects.

A fair day's wage must of course be secured by a fair day's work. The first must be subject to the physical and biological conditions which are necessary for a healthy human existence, and the second must in

some manner be the economic equivalent of the first. These conditions, however, are very indeterminate and consequently there is a wide variation with regard to the possible arrangements. The assumptions hitherto made and the postulates laid down by economists require to be very considerably modified.

The assumption, for instance, that labour is perfectly mobile, is one that cannot be justified by an appeal to actual physical conditions, to history or to ethics. Physically it is not mobile; historically it has never been mobile; and ethically it should not be mobile. Even the postulate that wages are determined by competition and the state of the market, is beginning to be looked upon as not altogether unchangeable, and the feeling is arising that the wages which are paid to labour should always be settled by looking at the ethical aspects of the subjects. Unfortunately, in a competitive system of industry little attention is given to such considerations, nor indeed is it possible for individual employers to accord it. Nevertheless what is impossible for individuals may be possible for combinations of individuals and for communities, if they are prepared to face the resulting economic conditions.

In the first chapter of this book we came to the conclusion that human nature and science alike demanded different rates of remuneration for different grades of skill and efficiency. The opinion of the Bishop of Durham, which was quoted, namely that wages should be regulated by the actual value of the work done as contributing to the wealth of the community, may be taken as representing that of thoughtful and reasonable socialists. This would agree with what the Austrian school of economists call the "natural value" of labour and would be that which would be recognised

by a completely organic and highly rational community. That, however, takes us into the region of the ideal and, if applied to present conditions, would involve an exceedingly complicated and practically impossible calculation. Its consideration, however, will be useful, as well for those who wish to understand the economy of the present as for those who wish to evolve a new one.¹

The "produce of labour" in every department of life, from that involving the highest knowledge and skill to the most common manual toil is not by any means a simple term, and is certainly not identical with the apparent products. The organic nature of society makes many other conditions and antecedents necessary, and very often a fair wage to the worker is by no means the most important element. While the hard physical toil of the manual worker is obvious and should be adequately remunerated, the skill of the artificer or craftsman, the mental work of the manager or the employer, the enterprise and foresight of the capitalist, and, probably most important of all, the general economic conditions of the undertaking are not so obvious, although they may affect the efficiency and ultimate production to a much greater extent.

It is therefore difficult to determine by any logical or consistent principle what constitutes a fair wage, but the exercise of a little common sense will go a long way towards settling the matter. Its actual amount will be determined partly by the custom of the profession or trade, the skill, difficulty or danger of the works and by the number of those who are attracted to it. "Every kind and quality of labour shows a different result

¹ Cf. Professor Von Wieser, *Natural Value*. Translation by Dr. W. Smart. Macmillan and Co.

according to the available supply, the demand, the support received from complementary goods, and the technical possibilities. At the top of the tree stand the 'monopoly' services, when the general economic conditions of the time aid them with technical support and general demand; at the bottom stand the over-congested branches of labour, particularly unskilled manual labour. Wherever labour power is available in great quantity it is valued as a 'cost-good,' and suffers from all the disadvantages of this valuation. The marginal employment is always the decisive one—that employment of the labour in question which brings the smallest result economically permissible."¹

Professional regulations and etiquette are generally sufficient to maintain the fees of those engaged in the learned professions, and if they fail to obtain an adequate income, it is because they are unable to find work and not because the fees are reduced to the vanishing point, and this is the result which must be met in any attempt to fix wages. For the skilled and unskilled manual workers, the trade unions and employers' combinations, or combinations of them acting through such guilds as we have described, perform what is called the "higgling of the market," and decide the question from considerations of expediency. Among the members of the trade unions, at any rate, the belief in the iron Law of Wages has disappeared, certainly among those who are fully awake to the advantages their position affords, and they are prepared to claim them to the uttermost. "They have converted the question of wages from the question, How little the labourer can afford to take, into the question, How much the employer can afford to give. They have been able, in

¹ Cf. Professor Von Wieser, *Natural Value*, p. 161.

trades not subject to foreign competition, to effect a permanent rise in wages at the expense of prices, and they can probably, in all trades, succeed in keeping the rate of wages well up to its superior limit, viz. to the point at which, while the skilful employers might still afford to give more, the unskilful could not do so without ceasing to conduct a profitable business, and being driven out of the field altogether.”¹

Some of the trade unions even try to insist that prices should follow wages, and that the other conditions should adjust themselves to this requirement. Whether this is either possible or expedient will depend on the circumstances of the industries concerned. Evidently it cannot become universal, for a general rise in wages would cause a general rise in the prices of commodities which would in many cases nullify the rise in wages and in others make the economic conditions of the workers worse than before. This should be remembered, not only by trade unionists, but also by legislators when passing measures for the protection of the workers.

Even economists are now admitting that “labour is neither limited for its reward to a wage-fund, nor is it entitled only to the residuum of a varying product of industry,” but on the contrary that “wages (like rent, interest, and *entrepreneur's* profits) are a varying proportion of a varying product of industry.”² Ricardo is generally considered an economist of the narrow and strictly orthodox type, but he “was not only aware that the necessary or natural limit of wages was fixed by no iron law, but is determined by the local conditions and habits of each place and time; he was further

¹ Rae, *Contemporary Socialism*, 2nd ed., p. 311.

² H. M. Thomson, *The Theory of Wages*, Macmillan and Co., p. 81.

keenly sensitive to the importance of a higher 'standard of living,' and called on the friends of humanity to exert themselves to encourage the growth of a resolve among the working-classes not to allow their wages to fall anywhere near the bare necessities of life."¹ Professor Walker, however, has pointed out that "in getting rid of the wage-fund, we have not reached the result that wages can be increased at any time or to any amount whatever. We have merely cast aside a false measure of wages. Wages still have their measure and their limits, and no increase can take place without a strictly economical cause. Wages cannot be larger than the product except by force of pre-existing contract. Wages must, in the long run, be less than the product by enough to give the capitalist his due returns, and the employer his living profits."²

With the present organisation of industry and with the opposing theories of the Socialist and the individualist schools, it is impossible to lay down a hard and fast line of action for all circumstances, arranged according to a formula drawn out from any theory as to the distribution of profits.³ It must always be remembered that we are in a transition stage and that, for a considerable time, compromise must be the rule in all such matters. The object should be to secure that the general tendency is always in the right direction, for it is of more importance to be sure of the direction in which we are moving than to secure that our steps be either long or rapid.

This aspect of the subject has been treated by a thoughtful collectivist writer from whom I have several

¹ Marshall, *The Principles of Economics*, p. 552.

² *The Wages Question*, p. 410.

³ For a survey of the different theories, cf. Marshall's *Principles of Economics*, Book vi. Gide, *Principles of Political Economy*, Book iv.

times quoted. He says that the most important elements which enter into the consideration of actual wages are "skill, effort, and unpleasantness of occupation. All these *do* enter into the rate of remuneration. How far should they do so? This question is bound to rise into importance with the growth of trade unionism, and few problems are more difficult to determine by any theoretical considerations. Let us, however, bear in mind that, whatever remuneration is just, is so because it is for the common good that it is awarded. From this point of view it is clear that remuneration should in some degree depend on effort. I do not mean that competition should be re-introduced in the form of piecework, or that any encouragement whatever should be given to over-exertion; but that a certain standard of assiduity and of length of work should be exacted as is done at present by the overseers of every branch of production, with this difference only that the Trade Union of the producers affected should have a voice in the fixing of the standard. By this means society can call forth the requisite effort on its behalf without mischief to the most important part of its wealth, the health of its workers. Similar considerations determine the treatment of specially unpleasant or unhealthy occupations. In these, due regard for the common good as bound up with the good of the employed, would lead to such a reduction of hours as would leave plenty of time to recuperate."¹ He arrives at the conclusion "that a fair reward of labour should not be directly proportioned to skill, nor even to effort; that the best social arrangements would fix a minimum to be paid even to those unable to fully earn it; and that while an increase of remuneration for pure skill is necessary, and

¹ Hobhouse, *The Labour Movement*, p. 11.

within limits desirable, this is, on the rule of justice as laid down by social utility, a secondary consideration as compared with the necessity of providing a sufficiency for all, to be attended to when this greater need is satisfied. The primary economic need in the matter of distribution is the fixing of a sufficient minimum remuneration and a reasonable maximum of hours for all workers in company with the enforcement of the rule that all who can work must work." That is to say, he believes that the claims of the individual must be balanced by those of the community which require, in the first place, that none of its members shall be awanting in those things which are necessary to enable them to lead a civilised existence. On the other hand, as we have seen, the principles of physics show that workers should be rewarded in proportion to the economic utility of their work, those of biology that parasites and loafers of all kinds are enemies of society and of themselves, while ethical considerations lead the members of a community not to confine themselves to egoistic efforts but to take part in what has been called the struggle for the life of others. This aspect of the subject, however, and the claim of a right to labour at current rates of wages, or of subsistence at more than is necessary to support life, opens up many questions of an economic and social nature which will require very careful consideration. In my opinion such a claim is not to be met by any opportunist arrangements, but by such an organisation of industry as will be indicated in the next chapter. The problem of wages is therefore ultimately one of social ethics and politics and, as I have already pointed out, the lines of conduct to be followed must be those which tend most to the advancement and ennoblement of society

and to the consequent general welfare of the race; it is only when the counsel given by economics and morals coincides that the action may be regarded as ratified and its grounds verified. All this may seem somewhat indefinite, but this arises from the indefinite nature of the problem. Moreover, it is not necessary to lay down any set of hard and fast rules regarding wages, for the problems connected with them will be solved, not by any sudden change, but by a gradual modification of the present methods and the improved organisation of industry, combined with a development of the altruistic spirit which would cause each member of the community to look, not only after his own interests but also after the welfare of all. Then it may be possible to have a minimum wage for all classes of workers, for, as Ruskin has pointed out, "that wages *are* determined by supply and demand, is no proof that under any circumstances they *must* be,—still less that under all circumstances they ought to be."

The demand for a minimum wage for the different classes of work has for some time been increasing in intensity, but it is surrounded with many difficulties. If it only meant what was necessary to enable a single individual to live a healthy human life, the matter could be easily arranged, but the circumstances of the workers vary very much and what would be sufficient for one would be quite inadequate for the requirements of a man with a wife and family. The only way of arriving at an understanding on the question is of course to find an average, and thus ascertain what may be called the normal wage in the different trades.¹ This may be taken as that which is sufficient to enable a labourer, who has normal regularity of employment, to support

¹ Cf. Marshall, *The Principles of Economics*, p. 558.

himself and a family of normal size according to the standard of comfort that is normal in the grade to which his trade belongs. It is not dependent on demand except to the extent that, if there were no demand for the labour of the trade at that wage, the trade would cease to exist. In other words, the normal wage represents the expenses of production of the labour according to the ruling standard of comfort, and is a quantity fixed so long as this standard is fixed; the influence of demand is only to determine the number of those who are brought into the trade, and not their rate of wages. As a matter of fact these are the conditions which the trade unions try to enforce, and indeed are those which are met in many cases.

The difficulties connected with fixing a minimum wage for the different trades and occupations will probably be more easily got over than the evils attending the present unlimited competition and uncertainty. While it may be possible to fix rates of wages, it is impossible to guarantee employment at those rates, still a minimum wage would tend to industrial stability, for speculative production would be checked and alternate periods of depression and great activity would become less frequent and less intense. This in itself would be a great advantage. Those in employment would have constant work and steady pay, a state of affairs which would produce the best moral results, because the standard of living would be maintained. There would for some time, however, probably be a greater number of unemployed, but it would be better for all concerned to make special arrangements for those who were unable to obtain employment at their regular work rather than allow them to drag down the general conditions of all the workers. The nature of these arrangements will

depend to a large extent on the circumstances of the different cases, and they will always require most careful consideration in order that they may not increase the difficulties which they are intended to remove.¹

The unemployed may be divided into three classes. In the first we have those who from physical or mental reasons are unable to work. These must be provided for either in private homes or public institutions. In the second we have those who are able, but are unwilling to work. These must be placed under conditions in which they would be compelled to produce at least sufficient for their own subsistence. In the third class we have the unemployed proper, namely, those who are both able and willing to work, but who are unable to find employment. As the organisation of industry proceeded these would be gradually absorbed and would ultimately disappear, but for a considerable time to come arrangements must be made to help them to obtain work. The trade guilds could do a great deal for their members, by having labour bureaus in each town or district which would supply all information regarding obtainable employment. These should be co-ordinated with each other and brought into relations with the national Labour Department, to which there ought to be attached a competent staff of experts who are acquainted with the state of the labour market both at home and abroad. Special facilities should be offered for the transport of workers to districts wherever they were required in the different industries or in the special works undertaken by the State or municipalities, some of which might be kept as reserves for times of depression.

The energy of the workers would thus be fully

¹ Cf. *Parliamentary Report (C. 7182) on Agencies and Methods for dealing with the Unemployed*, 1893.

utilised, and in a comparatively short time there would be no need for the charity which is now frequently resorted to, and which not only has a demoralising effect on the workers, but also accomplishes nothing in the way of assisting towards a permanent solution. The unemployed represent a labour force which only requires organisation to make it abundantly self-supporting. But care will always require to be taken that they do not enter into competition on unfair terms with the ordinary workers and thus lower their economic conditions. When the problem of the unemployed has been solved, the workers will have no difficulty in obtaining the highest wages which the economic conditions will admit of.

There are a great many questions connected with wages into which we cannot at present enter.¹ Experience, however, seems to show that the length of the working day is a good index of the productive ability of a nation, and that this must be determined not only from economic but also from physiological data. Improved consumption must accompany improved production if the social organism is to remain in a healthy condition. There is little difference about the opinion that the best fed nations, the English and the American, are the largest producers, and that the world's industrial supremacy is certain to belong to those who earn the most and live the best. At the same time, other factors must be taken into account such as the amount of capital expended in plant by the owners of the manufactory, the design of that plant, the excellence of the management, the proximity of a ready and wealthy market, and the absence of competition. The active

¹ Cf. Rae, *Eight Hours for Work* (Macmillan and Co.). Schoenhof, *The Economy of High Wages* (Putnam).

members of the industrial guilds must be earnest students of economics so that they may be able to take into account all the factors which affect wages and thus be in a position to decide fairly, not only as regards the claims of the employers and the workers, but also of the community generally. While organisation in the directions indicated is being proceeded with, it will no doubt be necessary to carry out many temporary measures such as labour colonies or farms, but care must be taken that they are not made ends in themselves but only means to an end, so that as soon as possible they may be rendered unnecessary by an organisation of industry which will make an unemployed, able-bodied man an impossibility.

The fixing of a minimum wage would, moreover, hasten the evolution of the organisation of industry by making it impossible to carry on struggling industries by means of low paid labour. "When wages are low and men's time may be had for the asking, it becomes easier to work a business of a certain kind with profit. Men of moderate or inferior abilities are tempted to one of the most difficult games—the management of a modern business concern—by the ease with which the pawns are moved. There are hosts of businesses struggling on with no profit to worker, manager or consumer, and which are much better put out of their misery. The natural refuge of these weak business concerns is the weak and underpaid workman, and accordingly competition—though continually eliminating them—does not even so do its work fast enough. The fixing of a minimum wage destroys employment of this kind, to the great ultimate gain of all classes."¹ When an industry cannot be maintained without permanently degrading a

¹ Hobhouse, *The Labour Movement*, p. 25.

section of the community we need have little hesitation in saying that it ought not to be continued.

The Socialists believe that if industry were organised, it would be possible for each member of the community to obtain much more than a mere living wage. They believe that "by means of socialised production, an existence not only fully sufficient materially, and becoming day by day more full, but an existence guaranteeing to all the free development and exercise of their physical and mental faculties—this possibility is now for the first time here, but *it is here*."¹ This contention is indeed supported to a considerable extent by the calculations of the economists,² which show that if the wealth at present existing were equally distributed, there would be enough for all, at least if tastes were simple. These two assumptions, however, prove how far we are from a solution of the problem. Both of them can be brought within the sphere of practical politics only by the slow evolution of industry and the improvement of intellectual and moral conditions. The calculations referred to, show that, while it is important to improve the distribution of wealth, we cannot afford to neglect any means of maintaining and increasing the efficiency of production, by improved education and industrial organisation.

When adequate arrangements have been made for securing healthy conditions and fair rates of wages to the workers, and when their economic ^{Workshop} _{Reconstruction} position has become fairly stable by an improved organisation of industry, then it will be possible for them to turn their attention to their work and

¹ Engels, *Socialism, Utopian and Scientific*, p. 81.

² Cf. Dr. William Smart, *Proceedings, Glasgow Phil. Soc.*, Nov. 1893 and Nov. 1894.

endeavour to make it as efficient and as beautiful as possible. The energy which is at present exerted in striking against low wages and in struggling for better general conditions will be employed in reconstructing the ideals of the factory and the workshop. The members of the modern industrial guilds, if they strike at all, will do so as a protest against using bad materials and doing bad work or against any arrangement which would not be to the interest of the public.

The first necessity, however, is that all the members of workers' associations of every kind should have a clear idea of the position which their efforts take in the evolution of a better form of industrial organisation and should keep this ideal clearly in view. The different movements are not ends in themselves, but simply means to an end, and their effective components should be co-ordinated the one to the other. This part of the subject we will study in the next chapter.

At the same time, while making arrangements which allow the free development of individual capacities, the position of the great machine industries must be distinctly recognised, their productive powers fully utilised, and their inevitable disadvantages minimised. Shorter hours, improved appliances for ventilation and sanitation generally, and every convenience for the welfare of the workers will do much to neutralise the monotony of the work. A greater amount of leisure would afford opportunities for the exercise of their minds and bodies in other directions, and full advantage would be taken of the municipal arrangements for healthy enjoyment and recreation.

The higher evolution of the factory system has indeed already begun, and both in this country and in

America there are establishments which a few years ago would have been considered Utopian dreams. In such establishments the mere making of money is not considered the chief object, and a large proportion of the profits is devoted to improving agencies. As an acute observer has remarked, the "money mills of to-day might be 'mills of God' to-morrow, producing intelligence and morality, with the least possible expenditure of civilising effort, because of the assistance that association lends, whether to the making of morality or of cotton goods." That association is likely to lead to the highest good when it is of the co-operative form and the workers, through their representatives either on the managing committee or in the municipal or county council, are able to have an effective voice in the general arrangements. Signs are not awanting at the present day that the highest development of industrial activity combined with architectural beauty and favourable conditions for work, will be found, as in the Middle Ages, in co-operative, municipal or some other form of corporate centres. There also will be found the true industrial spirit. The Bishop of Durham, to whose ideals I have so often referred, has said: "Manufactures, commerce, trade, agriculture, if once the thought of personal gain is subordinated to the thought of public service, offer scope for the most chivalrous and enterprising and courageous. It can only be through some misapprehension that it seems nobler to lead a regiment to the battlefield than to inspire the workers in a factory with the enthusiasm of labour. . . . In this way, step by step, the Great Industry, full of dangers as it seemed to be at first, will—may we dare to prophesy?—be made to contribute to the material and moral elevation of all who are engaged in it, not as

separate or conflicting units, but as parts of the social organism."¹

While the factory must be regenerated and idealised, the industrial art workshops must also be reconstructed in such a manner as to allow the workers to impress their individualities upon their work and thus to have real pleasure in it. Machinery must be utilised to the utmost and made to take the place of the Greek slaves who rendered the art of Athens possible. It is, however, becoming evident that in all branches of work into which the element of high artistic design enters, the factory system is an impossibility, and that its place must be taken by a federation of small workshops in which it would be possible for the workman and the artist to be combined, and all the products to bear the impress of the workers and give proof that the work afforded them pleasure in the doing. This indeed is the basis on which the workshop of the future must be constructed.

Not only have the conditions of the workshops great influence on individual and therefore on national character, but they also affect to a very great extent the efficiency of the work done. As Ruskin and Morris have always earnestly pointed out, the excellence of work is, *caeteris paribus*, in proportion to the joy of the workman, and therefore, from a purely economic point of view, it is of the highest importance that the conditions of the workshops should be such as to allow the full play of all the physical, intellectual and moral energies of the workers. The reconstruction of the workshop is therefore a fundamental social problem, and it can only be solved by making the conditions of work and of the workers the basis for all our proposals and actions.

¹ *Economic Review*, October 1894.

To a certain extent this is being recognised at least in art industries. A suggestive writer on this subject has said: "I believe that there are two movements going on in our midst which are tending to the expression of the new citizenship, and these are the *Reconstruction of the Workshop* and the *humanising of the Citizen*. I would ask for a closer study of the former and a more generous encouragement of the latter. In the former we have, on the part of the workman, the producer, an unconscious reversion to the mediæval state, the central idea of which was the maintenance of a moral code and an economic standard of life conformably with it. In the latter, we have through the educationalist and the citizen himself, a readiness to enter again into that culture as it was understood by the great thinkers, poets and painters of the fifteenth and sixteenth centuries—we have potentially, the spirit of the Renaissance."¹ When it is more clearly recognised that the workshops are the chief practical schools for the formation of character, then we shall take care that the conditions are worthy of the issues which they influence.

¹ Cf. R. Ashbee, *Workshop Reconstruction and Citizenship*, p. 12.

CHAPTER XII

INDUSTRIAL INTEGRATION

IN a previous chapter we briefly considered the general physical and biological conditions of development, and compared some of the relations of the organisation of animals with that of society, and we saw that there are many points of likeness. In an animal body we have, on the one hand, the differentiation of its parts or members by means of which the various functions are performed, and, on the other, the integration of these by means of vascular and nervous bonds into one whole, so that the action of each adapts itself to that of the rest, and all combine in a common function for the good of the whole body.

As I indicated, however, the analogy between biological and social organisation must not be pushed too far as there are certain very marked differences. In fact all analogies are somewhat dangerous, for while they may connect resemblances, they very often disguise or cover up the truth. In every form of society, constitutions, laws or manners of any kind are in their ultimate analysis, simply contracts, written or implied between the members to do this or to abstain from that, and among the higher biological organisms, there is none which is developed by the conjunction of a number

of primitively independent existences into a complex whole.

Herbert Spencer in his writings again and again has told us that society is an organism, but yet when he comes to apply his reasoning to practical politics he is strongly individualistic. The inconsistency between his philosophy and his politics is the feature in his writings which is very apparent to students of sociology. We cannot however enter into this point as it would lead us beyond our present limits and we must refer to other works for its discussion.¹

Although no exact analogy can be found, an examination of the facts and tendencies recorded in the preceding chapters shows that there is a considerable element of truth in the conclusion arrived at by Professor Huxley, namely, that "the process of social organisation appears to be comparable, not so much to the process of organic development, as to the synthesis of the chemist, by which independent elements are gradually built up into complex aggregations, in which each element retains an independent individuality, though held in subordination to the whole. The atoms of carbon and hydrogen, oxygen, nitrogen, which enter into a complex molecule, do not lose the powers originally inherent in them, when they unite to form that molecule, the properties of which express those forces of the whole aggregation which are not neutralised and balanced by one another. Each atom has given up something in order that the atomic society or molecule, may subsist. And as soon as any one or more of the atoms thus associated resumes the freedom which it has renounced, and follows some external attraction, the

¹ Cf. Fouillée, *La Science Sociale Contemporaine*. Ritchie, *The Principles of State Interference*.

molecule is broken up, and all the peculiar properties which depended upon its constitution vanish.”¹

We will consider some of the more general bearings of this analogy on society further on, but meantime, without admitting that it is in all respects complete, it is evident that the evolution of industry is an example of a process very similar to that just described. I have called its final stages integration and, although this name does not describe it exactly, still its use will be found convenient. In fact, as I have said, no name or analogy can be found which exactly expresses the conditions of the case. We have in industry a series of simultaneous movements, all with components in the same direction and each controlling the other to a certain extent, and the problem is, How far is a complete integration possible?

A recent capable writer on the subject has said : “Let us suppose the principles we have advocated to be recognised and carried out to their logical conclusion, and let us try to picture the resulting state of industry. The work of the nation would then be carried on under the direction of communities of consumers. There would be the great national works developed from those which exist at present. There would be probably a still greater development of municipal works, and there would be, supplementing these, voluntarily formed co-operative associations on the existing model, united by the Federal principle, and ultimately co-extensive with the community. We shall advance in all three directions with varying rapidity, but steadily and simultaneously. In each case suitable remuneration and healthy conditions of work will be ensured for all classes of producers by good legislation, backed up and supple-

¹ *Critiques and Addresses*, “Administrative Nihilism,” p. 20 ; also *Collected Works*.

mented by strong trade union action. The surplus product when this charge is met will be in the hands of the community for common purposes, that there may be the means of life for the infirm, and of culture and enjoyment for all, and the ceaseless, wearying roar of the great engine of competition would be still.”¹

No doubt this will be pronounced an ideal which is altogether beyond the range of practical politics, and only realisable in the far distant millennium, but, as I have pointed out, in every department of life ideals are necessary to guide us in the successive steps we ought to take. If they are kept constantly in view and efforts made to realise them the tendencies will always be in the right direction, for it is of much more importance to be sure of this, than to be continually making experiments under the influence of any popular movement which may have become the fashion of the hour. Both politicians and economists are beginning to recognise, although in a somewhat vague manner, that industrial society will not permanently remain without a systematic organisation, and further that the mere conflict of private interests will never produce a well-ordered commonwealth of labour. This commonwealth will not be brought about by the application of any new doctrine, but by recognising that all the apparently conflicting doctrines at present in the air have some elements of truth, in other words, that all the movements they represent have effective components in the direction of progress. The main question to be considered therefore is, How far and within what limits are those doctrines true? The problem before us is to substitute consciously adapted co-ordination for internecine competition, if the organism which survives is, not only to

¹ Hobhouse, *The Labour Movement*, p. 80.

be the fittest for struggle, but also the best both for individual and corporate life.

The integrating factor in the industrial problem is evidently a complete system of education which will not merely afford the necessary intellectual and physical training, but will also impart high ideals of life and duty to all the rising generation, and enable them to perform alike their duties to themselves and to those immediately dependent on them, and also those which are expected of them as citizens who clearly recognise that the welfare of the community is intimately bound up with their own, and is in fact indispensable to it. Equality of opportunity demands, however, both the same means of education for all, and an equally good start in life to every young person, a demand which may seem to many to involve changes as drastic and as much to be dreaded as those likely to be brought about by Socialism or collectivism of any form.

On the other hand, in my opinion, the chief mechanism by which the integration will be performed will be, neither the multiplication of legislative enactments, nor the storm and confusion of a revolution, but the agencies already at work, namely trade unions, co-operation in its various forms, voluntary, municipal and State, and above all a socialised individualism which will link them together and cause them to produce the highest social welfare. A complete solution of industrial problems requires the co-ordination of the whole of the effective components of the different forces at work, and this is the process we must now briefly consider.

Trade unionists as a rule are intelligent enough to see that trade unionism by itself will never solve the problems of labour. It has hitherto been chiefly a fighting machine for maintaining

Sphere of

Trade

Unions.

been chiefly a fighting machine for maintaining

the economic rights of the workers, although in recent years its scope has been considerably widened, and, as I have indicated, it may develop into an organisation for regulating the claims of the different kinds of labour and generally for supervising the interests of the workers. Even in an organised or co-operative industrial society trade unions or their equivalents will be necessary to maintain the position of the different classes of workers, for there is nothing in the nature of a co-operative society, as such, to safeguard the interests of the workers as a body or of the various classes of workers. The ideal which is held by one class of thinkers, that all should be paid alike, if not for ever impossible, is certainly very far distant.

The trade unions are, in fact, the natural organs for expressing the interests of the different sections of the working community, as distinguished from those of the general body of consumers, and they are needed to complete the co-operative organisation of industry whether this be of a voluntary, municipal or national form. When a federation of unions has been fully organised, the basis of trade union action will be enlarged, and the narrowness which at present marks many of their actions will disappear, and the true identity of interest of all workers will be recognised. If the organisation of industry is to lead to the development of the welfare of the nation, it must be through a control exercised in the interests of the whole nation.

The trade unions might be made effective instruments in bringing about this transformation of industry if they employed part of their funds either in starting co-operative workshops or in obtaining possession for the workers of establishments already in existence, and making

them part of the Federation of Co-operative Institutions, for without this they would simply tend to increase the existing competition. Co-operation in some form is the necessary supplement to trade unionism, for it co-ordinates the various parts of the industrial organism.

In the industrial organisation of the future it is very evident that it will be neither possible ^{The Sphere of} Co-operation, nor desirable to place all, even of the larger industries, directly under Government or municipal management. It will be sufficient if some of the present arrangements be modified to suit the altered conditions. The system of co-operation will be extended and made to include many of the existing joint-stock companies, and these will be co-ordinated with each other so that the best interests of the community and the welfare of the workers may be constantly kept in view, for, as I have already pointed out, the chief functions of co-operation are to reduce waste in administration and production, to co-ordinate supply and demand and to assist in the more equitable distribution of wealth.

From the last of these points of view it may be objected that it is wrong to raise up a body of small capitalists whose interests are opposed to those of the general community, and therefore that all schemes of profit-sharing whether in co-operative or capitalist production should be discouraged. But as I have already remarked, in this as in all other movements the ideal is not to be reached at one bound, but only by slow and successive stages, and profit-sharing, at least in a moderate degree, may be a useful step towards its attainment. While such methods may raise what seems to be a class of privileged workers, it is only as a step towards raising all the workers to that

class. As the movement extends, profits will lessen and will ultimately disappear, so that the question which is now somewhat hotly debated will solve itself.

The forms which co-operative action will take in the future will vary considerably, but the principles involved in each will be essentially the same. Some co-operators are enthusiastic enough to think that the movement in which they are interested is in itself and by its present methods sufficient to be the means of regenerating industrial society. In certain respects, indeed, they are more liberal in their views than those who would extend municipal action indefinitely, for their organisation is not confined to municipalities or parishes, but may in some departments be spread over the whole country.

They, however, repudiate State or municipal interference, and hold that Co-operation is concerted action based on consent, whereas municipal or State action is based on coercion. It is evident that in many cases, as social conditions improved, the dividing line between the different kinds of action would disappear, and that the consent of the community would be given to the provision of the necessities of life, at least, by the combined action of all for the benefit of all. While the ordinary methods of co-operation are entirely in the right direction, when its principles are clearly kept in view, the movement requires to be quickened by other agencies, and chiefly by the action of municipal bodies, which carry out the wishes of the whole community and serve its interests, and not simply those of one or two sections of it.

In democratic government as in co-operative management the will of the majority always governs, and it makes little difference whether the executive takes the shape of a Town or County Council, or a Department of

Government, or the Committee of a Wholesale Co-operative Society. In order that no hardship may be done to any section of the community, as the result of collective action in any form, the people must see that this executive is made truly representative. This, indeed, constitutes the chief difficulty in connection with collectivism of any kind, and, if it be unduly pushed, before the people are prepared for it, struggles might ensue much more severe than any strikes or lock-outs have ever been, for they would probably end in civil war.

The extreme collectivists or Socialists would extend the jurisdiction of the State to every sphere of action, and leave practically no liberty to the individual, although they would probably hold that they would only substitute an intelligent management for a chaotic competition. They point out that it is practically impossible to restore to the people as individuals, the government of their economic interests, and that the only alternative to an irresponsible plutocracy is collective control. On the other hand, the extreme individualists or the absolute anarchists would leave the people to do what they thought proper in every relation of life. We may rest assured that rational men and women would tolerate neither the one system nor the other, but they would in each case consider where collective action is necessary and desirable and where it is impossible and dangerous. A thoughtful writer on this subject has said: "Put the municipality in command of that which is municipal in extent and the nation in control of that which is national. In this way the principle of control by the body of consumers proceeds most easily and speedily by several converging roads. And on each

method the effects are the same. We avoid the waste and friction at present involved in the adjustment of demand and supply; and we put the surplus revenue into the pockets, not of individuals, but of the community. Lastly, we introduce a new spirit and a new principle into industry.”¹ After studying the different movements going on at present, the same writer has said: “Not only are there many mansions in the City of God, but there are many paths that lead thereto, even though each be narrow. And so there are many ways to social welfare—the noblest goal that man can set before him—but all trend in one direction and at last they meet. And we stand now at the point where the unity of principle that has guided us all along is becoming clear. That principle is simple. It assumes that intelligence is better than blind force, and reaches its end more speedily and surely. It holds that the economic well-being of society is the true end of industry, and that this end will therefore be reached better by an intelligent organisation of industry, than by the haphazard interaction of unintelligent forces. It holds, that self-interest acts intelligently enough for self, but inasmuch as it totally disregards the welfare of others, it is to be regarded, relatively to that welfare, as a blind and often destructive force. It holds that, apart from the control of industry by the community for its own ends, there is no force but that of self-interest to impel and guide production, and that therefore the withdrawal of collective control leaves industry to the interaction of blind forces producing mixed good and evil, with no necessary tendency to progress, no pre-established ‘economic harmony’ between self-interest and the common weal. Accordingly, on the ground

¹ Hobhouse, *The Labour Movement*, p. 41.

that intelligence is more effective than brute matter, and that the control of the community is the only possible intelligent agency which can direct the course of economic progress, it advocates the substitution of such control for the present chaos of the economic world."¹

At the present time it is quite evident that a gradual transformation of our industrial system is going on and that it will continue with increasing speed. Municipalities are extending their activities in the same directions as those in which for some time they have been spreading, and the supplies of water, of the means of lighting, of local communication, of education and recreation are all being obtained from public sources. Probably in some form the liquor traffic, and the business of fire and life insurance will, in the not very distant future, be brought under public control, if not public management. Moreover, all these departments will have the majority of their requirements supplied from public and not from private undertakings, an arrangement which in itself will cause a great extension in the organisation of industry.

If we had a proper system of land laws and an adequate system of instruction in agriculture, much more attention would be paid to the oldest of our industries, namely agriculture, and the great body of the people would thus be brought into closer contact with the land. This is indeed one of the most pressing wants of the time, and if more attention were paid to the subject in our schools and colleges we might soon be able to realise the ideal of More's Utopia, when agriculture would be so universally understood among the people, that no person, either man or woman would be ignorant of it, having been instructed in it from their

¹ Hobhouse, *The Labour Movement*, p. 53.

childhood, partly by what they learned at school and partly by practice in the fields, which were always accessible to them. Like the Utopians, however, every man should have some other trade which was the main work of his life and in which he should aim at being as skilled as possible. If we ever attain anything like the conditions imagined by More, it will be found that the most important part of our educational work is carried on, not in the schools and colleges, but in the workshops and fields, whether these be under the control of municipalities, co-operative societies, or individuals. Already a beginning has been made in co-operative agriculture and it promises large developments. Local bodies are gradually obtaining powers to hold land for any purpose which may be to the advantage of the community, while facilities for providing allotments to workers are being increased. All these movements are necessary to meet the demands of the different conditions which arise in an organised community, and their relative proportions will depend on the circumstances of the various localities.

In some cases it may be difficult to distinguish between the work which should be undertaken by the State and the municipalities, but each case must be decided on its own merits, and the exercise of a little common sense will be sufficient to show which method is to be preferred. Generally speaking, State management, that is to say the direct management by the Central Government, should be strictly confined to those departments which are of national importance, and from which all members of the community equally benefit, or which are necessary for the national defence. In addition to those departments already in the hands of the State, there is little doubt that the railways and the

mines and probably the shipping will ultimately come under State management, or at least under a greatly extended State control. The rate of progress of the evolution will just be as fast, or as slow, as public experience may justify and public opinion demand. Every extension of State or municipal enterprise or management should only be made after full consideration of all the circumstances of the case, and after sufficient experience has been obtained to place the success of the undertaking practically beyond doubt, and even then only when it could be better done than by private parties. Hence the necessity for a healthy and intelligent civic spirit which would subject all new proposals to a searching criticism, and insist on everything which was undertaken being carried out with the strictest economy compatible with the highest efficiency.

It is not at all probable that the methods of transition or the ultimate forms of the organisation of industry will all be of the same nature. Great public movements, such as industrial evolution, do not follow pre-arranged plans, but carve out channels for themselves, about which we can say nothing in detail, although we may predict their general direction and outcome. The forces that we have been considering, and which are continually in action, are causing an evolution which only requires intelligent guidance in order that it may bring about the greatest public good. That this may so result we must aim at a system which will give the maximum social welfare and individual liberty, for no good can be expected from any organisation which compels all the members of the community to perform their duties like pieces of mechanism. The growth of an improved social spirit, on the one hand, and the action of the factory inspector or the trade

guild, on the other, would be the means of making the social and economic results of all kinds of industrial undertakings of essentially the same nature and of converting the individualistic into the co-operative or socialised forms. The process, however, would be hastened by the development of Boards of Conciliation and of Industrial Guilds and Labour Chambers mentioned in the last chapter.

The main lines of the evolution are being very distinctly marked. The machine and its productive power are gradually being organised for economical service in all that relates to the necessities and the common conveniences of life. Beyond this, however, there is a growing demand for free scope for individual development and the exercise of individual capacities in such a manner as to give real pleasure to the workers and stamp their work with their personal characteristics. Indeed, as we have seen, it is to the reorganised workshop that we must look for the most efficient school of individual and national character. The organisation of industry is, therefore, not only economic in its nature, it is also ethical.

We are safe in assuming that irresponsible capitalists and millionaires will disappear, and that limited liability companies, rings, and syndicates, which have become monopolies, will be utilised in the public interests. There is considerable truth in the socialist saying that "the modern captains of industry are simply running the machine till we are ready for Socialism." The trusts and syndicates of America, which have been noticed in a previous chapter, and various combinations of a similar kind in this country, are all steps in the process of evolution toward socialisation in some form or another.

No great change from what at present exists need

take place in the general arrangements or *personnel* of the public concerns. The directing and working staff would simply become public instead of private servants. No doubt, there would be a gradual concentration of offices, many of which would be rendered unnecessary if the separate concerns were amalgamated. Economy would thus be promoted, while the efficiency would depend largely on the interest the public took in the affairs of their own undertakings.

The extension of municipal and State action is, as I have already pointed out, the logical development of voluntary co-operation in its various forms, in which the Town and County Council or the Government Department, takes the place of the Committee of the Wholesale Co-operative Society, and all lead to the co-ordination of service. As a thoughtful writer on this subject has remarked:—"The history of progress is the record of the gradual diminution of *waste*. The lower the stage the greater is the waste in the attainment of any end. In the lower organisms Nature is reckless in her expenditure of life. The higher animals, more able to defend themselves, have the fewest young. When we come to human beings in society the State is the chief instrument by which waste is prevented. The mere struggle for existence between individuals means waste unchecked. The State, by its action, can in many cases consciously and deliberately diminish this fearful loss; in many cases by freeing the individual from the necessity of a perpetual struggle for the mere conditions of life, it can set free individuality and so make culture possible. An ideal State would be one in which there was no waste at all of the lives, and intellects, and souls of individual men and women."¹ Another able writer has remarked that "the

¹ Ritchie, *The Principles of State Interference*, p. 50.

bugbear of 'State interference' (a real danger under so many circumstances) vanishes when a community approaches the point at which the individual himself becomes the State. It might be added that under no circumstances could the temper of the English people tolerate any considerable amount of 'State interference.' The communalisation of certain social functions corresponds—without being an exact analogy—to the process by which physiological actions become automatic. As it becomes a State function commerce will cease to absorb the best energy and enterprise of the world, and will become merely mechanical."¹

The socialisation or municipalisation of monopolies would have very important economic results. Not only would the productive forces be better utilised, but the distribution of wealth would be improved, for what at present goes into the pockets of a comparatively small number of shareholders would then be distributed over the whole community and thus bring about a general elevation of social and economic conditions. Moreover, what the co-operative society does for the ordinary articles of consumption would be done on a larger scale, not only for the products of the larger industries, but also probably for the more common wants of everyday life, for the co-operative society must be looked upon simply as a step to a more highly socialised form of production and distribution. It would thus be possible to co-ordinate production to the probable demand, and crises would be mitigated if not altogether abolished. Many of our most pressing social problems would in this way solve themselves.

No doubt, arguments can be brought against the socialisation of monopolies or of common wants and

¹ Havelock Ellis, *The New Spirit*, p. 17.

conveniences; but, if the process goes on at the rate at which it is now proceeding, it will be completed while we argue. We may rest assured, however, that the rate will increase as education improves and experience extends, for, as I have said, the movement is to a large extent the result of the forces inherent in the individualistic system of industry. As Professor Ely has remarked, "When we consider the difficulties in the way of the socialisation of natural monopolies, we must always remember what the alternative is. These difficulties are real, but the difficulties of the present system are even greater."¹

As I have already pointed out,² although Socialism involves State control, State control does not, according to the extreme socialist view, necessarily involve Socialism. It is not so much the thing the State does as the end for which it does it, that we must look to, before we can decide whether it is a socialistic State or not, and Socialists say plainly that no policy which would prolong the life of private capital a single hour deserves to be called socialistic. What are at present usually called State and municipal Socialism are according to this not socialistic, for they rest on a basis of individual capital, and do not involve any principles which have not been recognised in every civilised community and about which there is little difference of opinion. It seems to me, however, that the above socialist definition involves a distinction where there is little or no difference, for the results would ultimately be the same. As the applications of these principles gradually developed, the materials and instruments of production would more and more come under common control, and, if the process were slow enough the results would be the same,

¹ *Socialism*, p. 291.

² Page 180.

whatever the opinions regarding the methods adopted might be.

A French writer has said : "In all civilised societies which have preceded our own, the absolute supremacy of the unrestrained and selfish right of private property has been the forerunner of decadence, the main cause of ruin. A more enlightened humanity, having at last succeeded in creating sociological science, may, we would believe, avoid the rock whereon Athens and Rome were shipwrecked. It will understand that the war of each against all and all against each cannot be a sufficiently solid social foundation; it will perceive that, for the sake of the common safety, it is urgent to idealise the right of property; not of course, by slavishly copying institutions which their own imperfections have destroyed, but by replacing the license of the selfish right of property by an organisation which while it is altruistic, is also reasonable, scientific, upholding without annihilating the individual, leaving his freedom and his initiative unfettered."¹ The same author remarks that "the debate, or rather the conflict, has already begun; the new world is striving against the old. What will be the issue of the conflict ?" Like him, I am amongst those who have faith in the future.

There will be an increasing demand for all fictitious capital to disappear, or at least for its revenues to be applied in some way or another to the benefit of the community. Further, there will be a growing tendency for the ownership of legitimate capital not to be vested so much in individuals as in organisations, in many cases of a co-operative nature, or in Municipalities, Councils and even States, in all of which the workers will be represented, and which will carry on

¹ Letourneau, *Property*, Preface, p. xi.

their operations in the interests of the whole community. These bodies will charge the full economic rent for the use of the lands and buildings under their control and apply it for the common purposes of the community, a proceeding which is fully justified by scientific principles. Socialised capital and means of production, can, no more than individualistic, neglect the requirements of economic efficiency.

Not only is there a growing tendency to municipalise or socialise industrial concerns, but also to change the ideals of the rights of property generally. In fact, it is gradually being recognised that property has no rights apart from duties. Public opinion is quickly coming to see the necessity for the State levying a heavy tax on all whose incomes are much beyond what is necessary to keep them in comfort, and increasing the death duties in the cases of those who leave large fortunes. The recent action of the Chancellor of the Exchequer only marks the beginning of a movement which is certain to extend. He answered his critics by reminding them that no man has any natural right to control the succession to his property after his death, and that the power to make wills or settlements in succession is the creation of positive law which prescribes the limits and conditions of such power.

Such an evolution with regard to private property would involve a change in the ideas of the relative rights of the individual and the community. This change has indeed already begun and its necessity is recognised by all thoughtful men. Professor T. H. Green said : "The dissociation of innate rights from innate duties has gone along with the delusion that such rights existed apart from society. Men were supposed to have existed in a state of nature which was not a state of society, but in

which certain rights attached to them as individuals, and then to have formed societies by contract or covenant. Society having been formed, certain other rights arose through positive enactment, but none of these, it was held, could interfere with the natural rights which belonged to men antecedently to the social contract or survived it.

“ Such a theory can only be stated by an application to an imaginary state of things, prior to the formation of societies as regulated by custom or law, of terms which have no meaning except in relation to such societies. ‘ Natural right,’ as right in a state of nature which is not a state of society, is a contradiction. There can be no right without a consciousness of common interest on the part of members of a society. Without this there might be certain powers on the part of individuals, but no recognition of those powers by others as powers of which they allow the exercise, nor any claim to such recognition ; and without this recognition or claim to recognition there can be no right.”¹ In short, a right is nothing but what the good of society makes it.

A well-known Socialist, speaking of what he believes to be the last stage in the industrial revolution, has said : “ The proletariat seizes the public power, and by means of this transforms the socialised means of production, slipping from the hands of the *bourgeoisie*, into public property. By this act the proletariat frees the means of production from the character of capital they have thus far borne, and gives their socialised character complete freedom to work itself out. Socialised production upon a predetermined plan becomes henceforth

¹ *Principles of Political Obligation*, Philosophical Works, vol. ii. p. 354, 2nd ed., 1890.

possible. The development of production makes the existence of different classes of society thenceforth an anachronism. In proportion as anarchy in social production vanishes, the political authority of the State dies out. Man, at last the master of his own form of social organisation, becomes at the same time the lord over nature, his own master—free.”¹ Words of this sort when taken literally are responsible for a great deal of mischief. To speak of the proletariat seizing the public power, as if this were possible by a single act, is simple nonsense. They are seizing this power just as quickly as they are qualified to use it, and the rate of progress depends on their own intellectual and moral development. If ever *all* the materials and instruments of production come to be owned by the community or by the State, the change will be brought about by the slow evolution of the different movements which are now going on, and by their integration into a harmonious unity. Anything in the shape of a sudden revolution before economic and moral conditions were properly prepared would simply bring confusion and despotism. As Mr. Sydney Webb has said: “The progress of Socialism may be compared to the approximation of the hyperbola to its asymptote, the time may never arrive when individual is merged in collective ownership, but it is a matter of common observation that every attempt to grapple with the ‘difficulties’ of our existing civilisation brings us nearer to that goal.” On this subject Professor Graham has said: “Society *may* indeed come to the collective ownership of land and capital, but it will not be for a long time; it *may* come to equality of material goods, but it will be at a time still more remote. On the other hand, the system of private property and

¹ Engels, *Socialism, Utopian and Scientific*, p. 86.

freedom of contract may last indefinitely or for ever, but if it does, we may safely prophesy that it will be brought more in accordance with reason, justice, and the general good, and though there be never equality of property, there will be a nearer approach to equality of opportunities, and a somewhat nearer approximation of the existing great extremes of fortune.”¹ Even under a dynasty of socialist emperors, such as he pictured possible in Germany, Rodbertus “gave five hundred years for the completion of the economic revolution he contemplated, because he acknowledged it would take all that time for society to acquire the moral principle and habitual firmness of will which would alone enable it to dispense with the institutions of private property and inheritance without suffering serious injury.”² Although Henry George is not a Socialist, and expects a new social and economic world from his scheme of land reform, he admits that “the idea of Socialism is grand and noble; and is possible of realisation, but such a state of society cannot be manufactured—it must grow. Society is an organism, not a machine. And it can only live by the individual life of its parts. And in the free and natural development of all the parts will be secured the harmony of the whole.”³

The reasonable demands of the workers, at least those who are organised, are being gradually conceded as regards general social conditions; and as the organisation of industry develops, all classes will be able to make their influence felt, and cause their demands at least to be considered, and thus bring about a socialisation of industry. It is in this way that the workers must seize the materials and instruments of production, and not

¹ *Socialism, New and Old*, p. 412.

² Rae, *Contemporary Socialism*, 2nd ed., p. 381.

³ *Progress and Poverty*, Popular Edition, p. 228.

by any violent upheaval of existing conditions. The seizure must, in short, be economic and not physical. It will be rendered all the more easy by the growth of a social spirit on the part of the public and of the employers. Professor Walker has remarked : "I cannot but believe that, as the working-classes advance in individual and mutual intelligence, and push their employers closer with a more searching and vital competition, more and more will the reward of the employer come to consist of the zest of intellectual activity, the joys of creative energy, the honour of directing affairs, and the social distinctions of mastership."¹

The legislators of the future will not attempt to deny the rights of private wealth : they will simply insist on the performance of the corresponding duties, and leave the results to work out. They will make it increasingly difficult for people to live upon unearned incomes. On the other hand, the equalisation of opportunities will reduce the rewards of extra ability. These two tendencies will cause all, save the young, the physically unfit and the old, to be usefully employed, and at the same time bring about a considerable equalisation of social and economic conditions. No doubt as these improve the young will be allowed proper time to develop both physically and mentally before being set to work ; while those above middle-age, having done their fair share of production, will gradually reduce their hours of labour, and pass the latter part of their days in peaceful and healthful enjoyment, both intellectual and physical.

It is impossible to say exactly what shape the ownership of property will take in the future, although

¹ *The Wages Question*, p. 260.

some of the main lines of the evolution are very evident. The resumption of the ownership of the land, in some form, by the community is a first essential to equality of opportunity ; and the methods to be adopted to bring this about will require very careful consideration, and must be comparatively slow in their operations. Voluntary associations and private enterprise in various shapes will for many a day have considerable scope for useful action. Gradually, however, the more important organisations required by the whole of the people will be taken over by the State, and municipalities will continue to extend their operations for supplying the common wants of their respective communities and adding to the means for increasing their welfare in every department of life, and all their property will be held for the common good. On the other hand we may rest assured that for many a generation to come private property will exist in all things of a personal nature, and which can be used directly by the owners. A man's house will still be his castle, although even in that many arrangements will be made which will lead not only to economy, but also to convenience and happiness. The whole organisation will be co-ordinated, so that there will be no unnecessary expenditure of energy and wealth, and every part of it will be worked in the interests of the community.

Sometimes, even at the present day, the fear is expressed that in the tendency towards municipalisation and organisation, the individual may become municipalised, and all opportunity for originality be denied him. As it is, in our own time no one who occupies anything like a public position can avoid feeling that his life has ceased to be his own. This arises from the want of a more perfect

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of the
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dividualism.

organisation and a more general civic spirit; for it is observed that the greater part of the burdens of public life fall on a very limited number of individuals, whereas, if all realised that it was their duty to take a fair share of public work, the amount required of each would not be felt to encroach on individual liberty to any great extent.

As J. S. Mill pointed out, "individuality is an element of well-being," and any organisation of society which attempted to run all individuals, all institutions and opinions in common moulds would be disastrous. But, after all, it must be remembered that real liberty is to be found in the conditions which enable a man to make the most of himself. What is too often called liberty at present does not do this. With not a few it means liberty to starve. With many it means liberty to engage in a fierce struggle with their fellows, not only for wealth but even for existence. With a considerable number it means liberty to exploit the community for their own selfish ends. With a small but increasing number it means liberty to devote a great part of their energy to advancing the welfare of the community or of humanity, for altruism becomes an impelling and governing power in human conduct when it is not swamped by conditions which tend to the encouragement of selfishness. They have become convinced of the fact that our individualism has lost us individuality, and they strive to obtain sufficient independence to regain this.

The individualism of the future will be limited only by a recognition of the rights of each member of the community, for no society can permanently exist in a healthy condition, nor is individual liberty possible, unless the liberty of all be respected and preserved.

Otherwise society tends to fall asunder, and all are in danger of losing the advantages which ought to arise from a social state. As a very thoughtful writer has said : "Individual liberty cannot long subsist, nor reach any degree of perfection or completeness at all commensurate with its demands, without the maintenance of social liberty ; the latter can only exist and be conserved through a check upon the wills and actions of the individuals composing a society, imposed upon them by the practical recognition of reciprocal rights and duties as existing between man and man."¹

The check which is exercised is educated public opinion acting either directly or through legislation or administration which embodies that opinion. All enactments affecting social and industrial action should therefore have for their object the maintenance of social liberty. Great care, however, requires to be exercised in the extension of the control, so that it may produce the effects which are intended and not simply be a hindrance to effective action. A high standard of individual conduct will ultimately render it almost unnecessary, and produce the same results as are aimed at by those who would indefinitely extend the sphere of legislation. F. D. Maurice was of opinion that "not capital, or labour, or land, or goods, but human relations lie at the root of all social reforms." "All questions between employers and employed are to be solved that way. Seek ye first the Kingdom of God and His righteousness ; what is right and just and loving and fair between man and man, the discovery of *that* is the only solution of all these stormy questions. Strikes, struggles, starvation prices, sweating middlemen, grasping merchant princes—the gulf between the rich who

¹ D. G. Thompson, *Social Progress*, p. 19.

grew richer and the poor who grew poorer would, he thought, never be bridged by political economy or legislation—Eight Hours' Day Bills and so forth. No, nothing but *right human relations*—the Kingdom of Heaven set up on earth.”¹ On the same subject Mr. Froude has said : “The penalties of duties neglected are to the full as terrible as those of sins committed ; more terrible, perhaps, because more palpable and sure. A lord of the land, or an employer of labour, supposes that he has no duty except to keep what he calls the Commandments in his own person, to go to church, and to do what he will with his own,—and Irish famines follow, and trade strikes, and chartisms, and Paris revolutions. We look for a remedy in impossible legislative enactments, and there is but one remedy which will avail—that the thing which we call public opinion learn something of the meaning of human obligation, and demand some approximation to it.”

There is a great deal of truth in these opinions, and it is desirable that the restraint on the individual should come from within and not from without. All real Socialism, therefore, must largely be socialised individualism. In the meantime, however, advanced public opinion must lead the way by improved administration and legislation, and the results be subjected to free criticism, so that persistence in a wrong course may be avoided. There is a danger in legislative enactments and municipal and State administration coming to be considered infallible, and the members of the community becoming mere parts of a large official organisation which goes on blindly till a crash occurs, or till, as in China, the whole system becomes fossilised.

One of the most important functions of education

¹ H. R. Haweis, *Contemporary Review*, June 1894, p. 882.

should be to impart an intelligent idea of the duties and responsibilities of Citizenship, and to train men and women who, while they have minds which are tolerant and open to reason, have also convictions of duty and determination enough to cause them to be carried into practical effect. It is only by a due balance of these qualities that we can hope for any real social progress, and for a satisfactory solution of the difficulties connected with liberty and authority. While, therefore, individualism, as at present understood, may be tempered and modified, it is neither desirable nor probable that it will be displaced. Under an organised society mere formal liberty may be diminished, but substantial freedom will be increased, for we may rest assured that any forms of collectivism which do not allow the free development of the individual stand condemned.

A writer from whom I have already quoted has said : "It may not be out of place to point out that while the process of socialisation is rapidly developing, individual development, so far from stopping, is progressing no less rapidly. It is too often forgotten that the former is but the means to secure the latter. While we are socialising all those things of which all have equal common need, we are more and more tending to leave to the individual the control of those things which in our complex civilisation constitute individuality. We socialise what we call our physical life in order that we may obtain greater freedom for what we call our spiritual life."¹

The question will no doubt be asked, What will be left to the individual when industry has been organised in the manner which I have indicated ? It is, of course, impossible to answer this question exactly, but, as I

¹ Havelock Ellis, *The New Spirit*, p. 17.

have said, we cannot be far wrong in concluding that collective action will in the main be confined to organised material industry, carried on on a large scale with all the aids of science and machinery, and to those products which are necessary to the common wants of a civilised community, and which are within the reach of the greater number of its members. During the transition stage of society individual enterprise would find ample scope in organising industry and making it ready for collective management in some form.

For many a day, however, as I have pointed out, individual establishments will be able to hold their own in many departments, notwithstanding all that can be done by co-operation or other collective agencies. They would, however, be compelled to raise their standard both as to quality and the attention that is paid to the general convenience of the public. The field of operations of private industry will be narrowed, but it will be on a higher industrial and ethical plane than we have now.

Many of the less important industries and trades and the greater part of the luxuries of life may safely be left in the hands of individuals; and when things are made for use and not for profit, these will occupy part of the leisure time of the workers in the large industries, and afford the means of healthy recreation. Artistic, intellectual, and spiritual occupations will all be outside the ordinary industrial sphere, and will become the chief objects of life, and Herbert Spencer's ideal will be reached and "the future social type will neither use the products of industry for maintaining a militant organisation nor exclusively for material aggrandisement, but will devote them to the carrying on of higher activities—a type which, instead of believing that 'life is for work,' will hold the inverse belief that 'work is

for life.'"¹ In short, all will realise the truth of what Aristotle taught long ago, namely, that the State "comes into being that men may live, but exists that they may live well." There is after all no real opposition between true Socialism and true individualism. One of the Fabian essayists has said : "The true issue lies between Socialism and Unsocialism, and not between Socialism and that very instinct in us that leads us to Socialism by its rebellion against the squalid levelling down, the brutal repression, the regimenting and drilling, the conventionalising of the great mass of us to-day, in order that a lucky few may bore themselves to death for want of anything to do, and be afraid to walk down Bond Street without a regulation hat and coat on. It is the revolt of Individualism against the present system that has produced Socialism, and will push it to its consummation."² There is considerable truth in this statement, but, at the same time, if the methods proposed by many of the Socialists were adopted, they would intensify the evils complained of. In short, much more importance should be attached to the spirit with which the work is undertaken and carried on than to the form of the organisation, for, if its social aspects be kept clearly in view, the ultimate results would be the same. If we had a community of goodness, a community of goods might not immediately follow, but we would soon have such an adjustment of social conditions as to render any formal legislation on the subject unnecessary. Above all, mutual aid would be very much extended, and every one would have ample opportunities of sharing in work which advanced the welfare of the whole community.

¹ *Principles of Sociology*, vol. i. p. 563.

² G. Bernard Shaw, *Fortnightly Review*, April 1894, p. 490.

A socialised individualism would render unnecessary any wide extension of municipal or State control or management beyond that of the common wants of the community. Professor Foxwell has pointed out that "the solidarity and interdependence of the modern economic world makes the old individualism an absurdity. From a modern economic point of view there is no such thing, in strictness, as a mere individual. Market prices, wages, profits, all these are social, not individual products. Every man's economic acts more or less affect every one else ; and every one is dependent on others for the means of economic action. The individual, therefore, cannot complain if he is asked to publish his transactions, or to submit them to regulations conceived in the common interest. He cannot expect to live in an elaborate modern society, reaping all the benefits of a complicated civilisation, and admitting no corresponding obligations. Not that this involves the acceptance of a communistic policy. There is no need to substitute Socialism for individualism : this would but leave matters worse than before, so long as the individual remained unchanged. What is wanted is to *socialise the individual*. No means will promote this end more effectively than organisation and publicity. They stand in the first rank of social duties and socialising agents."¹

The movements which are now developing for the publication of information regarding commerce and industry, both in this country and in other countries, as well as the various national and international arrangements which are gradually being made, are all tending to the evolution of more general social feeling which will render direct State management unnecessary in many departments, although a certain amount of control

¹ *The Claims of Labour*, p. 270.

may be required to prevent the possibility of the interests of the community being lost sight of. If, after paying all legitimate charges, the goods were sold at the cost of production, nothing more would be wanted. Still there is little doubt that the higher individualism will gradually change its form. Probably the first step will be to give a direct interest to all engaged in the different concerns. If the profits beyond this were socialised, by means of a graduated income-tax, there need be no change in the system of management.

The industrial guilds might cause a very great advance in the direction of co-operative production if they invested part of their funds in the businesses which gave employment to their members. Such a step, however, would require to be taken with great caution, and only when the business was of a very steady and secure nature. It is not wise for the workers to put all their eggs into one basket, and it would be most disastrous to them if they lost not only their employment but also whatever capital they had saved.

Even if the workers were the proprietors some such tax would be necessary, for, while such provisional steps as have been mentioned in a previous chapter may not only be advisable but absolutely necessary, it would be as far wrong, both ethically and economically, to allow any section of the workers to dictate their own terms as it would be for a more limited number of large capitalists. The trade sectionalism which demands the mines for the miners, the ironworks for the iron-workers, the shipyards for the shipbuilders, the bakeries for the bakers, or even the land for the farmers, is only a modified form of individualism which would continue, and probably intensify, at least for a considerable part of the community, many of the present social and

economic difficulties. It is evident, therefore, that the industrial organisation of the future is likely to be as varied as that of the present, at least as regards its details, and that the chief difference will be that the social results will always be distinctly kept in view.

In addition to the general process of co-ordination Local and integration which is going on, it is Integration. probable that there will be another movement of a local nature which will ultimately have most important economic and social results. It is being observed even now that the development of machinery, after having led to the extreme division of labour, is tending to produce an opposite effect. The late Mr. Werner Siemens was of opinion that "the goal of the revolution of science will not be a man of great factories in the hands of rich capitalists, in which the 'slaves of labour' drag out their monotonous existence, but the return to individual labour." The factory system will continue, and no doubt be extended, for the supply of the common necessities of life, but the applications of electricity and other methods of obtaining motive power will enable large numbers of small industries to be carried on in country districts. This movement will ultimately bring about a society of integrated labour, which will alternate the work of the field with that of the workshop and manufactory. In order that the evils arising from unlimited competition may be avoided, these departments of work will all be so co-ordinated that a considerable region will to a large extent be self-contained as regards its requirements, and will produce and consume its own agricultural and manufactured necessities of life. A study of social conditions in the Middle Ages, when federations between small territorial units, as well as among men united by common pursuits

within their respective guilds, and federations between cities and groups of cities constituted the very essence of life and thought, would afford many useful hints for the details of the methods to be pursued in local integration. But it should always be remembered that the mediæval cities were not organised on a preconceived plan in obedience to the will of an outside legislator, but depended on local and individual initiative for their development. While the main lines of the organisation might be laid down by a central authority, as much liberty as possible should be given to localities in making their own arrangements.

At the present time, moreover, there is a strong drift in the direction of the multiplication of small holdings and allotments of lands, and a tendency to return to the individualist agricultural producers of the mediæval type, a tendency which at first sight seems to be opposed to that of the industrial revolution. This, however, is not really so ; it rather proves that the most recent developments of machinery and agriculture are in the same direction, and that the one may be made to supplement the other, a process which would be comparatively simple if the land were owned by the whole community, and the rents paid into the common treasury.

Modern economic and industrial conditions and an improved social spirit are thus making possible the realisation of the dreams of the early Socialists, who attempted to carry them out before the times were ripe. The local integration I have mentioned would make home colonies possible, in which the two great branches of human industry, agriculture and manufactures, would be united, and in which truly human lives would be possible. These would be made more

complete by means of co-operative or associated homes, in which there would not only be a great economy of material, but also a greater efficiency of intellectual and moral, resources.

One of the leaders of the co-operative movement, Mr. E. V. Neale, who was also an earnest social reformer in the wider sense, said: "A co-operative colony of separate homes would rest upon legs inharmonious in their movements, and therefore leading to a fall. For either the houses and their immediate belongings must be excepted from the collective property and held in separate ownership, with a perpetuation of the evils from which co-operative economy professes to deliver us and the certainty of keeping alive the dispositions whence these evils arise; or the occupiers must be mere tenants at will, without any sense of ownership in their dwellings, and subject to continual friction between their individual likings and the regulations made by the general body. From this choice of evils there lies a happy escape through the idea of the Associated Home, which can secure to its inmates all the privacy they can attain in a village community, combined with a facility of intercourse and readiness of access to all the common institutions for education, instruction, recreation, and domestic comfort which the resources of the community might allow it to establish, such as isolated dwellings cannot afford; while yet the instinct of property in house and land might find a legitimate satisfaction in the consciousness of each individual that he was part owner of a social palace and its surrounding domains, with a separate right to his own apartments in it; and that without danger of any conflict between general and individual rights, because each would have a clearly defined sphere of action; the one

comprising the construction of the palace and all that concerned the common convenience, the other limited to the internal fittings-up and the arrangement of the part in each inmate's own occupation. . . . Groups of such homes might spring up in localities which for any reason attracted a numerous population, who might find occupation in industrial establishments distinct from any of them, and from residences possessing the semi-rural enjoyments lavished by the imagination of Dr. Richardson on his City of Health. And here it might be found that large central bazaars, independent of either houses or industrial establishments, though affiliated with them, might furnish dépôts for the distribution of many articles more convenient than the stores within the homes where articles of food would naturally be supplied. So that production, distribution, and home residence would again acquire the independence now belonging to them, without the evils now attending them."

There is going on at the same time an international movement which, while it may not strictly International be called an integration, is somewhat of Relations. that nature, and is certain to be very much developed in the future. Relations of all kinds between the different countries of the world are being very much extended, and the conditions of trade and industry made the same so far as circumstances will admit. The post and the telegraph have been internationalised in all civilised countries, and the same is largely true of the railways. In currency the decimal system has been adopted to a considerable extent, and one of the problems of the day is a proper international standard. Statistics are now published which help manufacturers to co-ordinate supply and demand, and

information is collected by the representatives of the different countries regarding the nature of the goods which are most likely to be wanted. Co-operative societies are extending their operations to some departments of the export trade, and are entering into friendly relations with societies in the different countries. The trade unions hold international congresses for the purpose of trying to settle the hours and general conditions of labour on something like a uniform plan. The medical men and sanitarians meet and discuss the conditions of public health, and the engineers the great public works which are necessary to advance the friendship of the nations. These and many other similar movements mark the beginning of a more general movement which will ultimately bring about "the Parliament of Man, the Federation of the World."

This movement would be hastened if public opinion in all countries were educated to see that a steady increase in the consuming power, which of course means an improvement in the economic conditions of the people, should accompany the increase in production, if militarism were kept within due bounds, if all the artificial restrictions to the mobility of labour were removed, and if the methods of co-operation were extended to all departments of life, so that the correlation between production and consumption might be maintained; in short, if everything were done to advance a rational organisation of industry.

The question which we have now to answer is, Will ^{Conclusions.} the action of the various agencies which we have been considering solve the problems of industry, and satisfy the demands of labour?

The answer, in my opinion, must be in the affirmative. The society of the not very distant future will

have an admixture of individualism, trade unionism, co-operation, and municipal and State socialism ; and not only will it be found that there is room for all, but also that all are necessary. As the evolution proceeds, these different movements will gradually approximate to each other in their results. The trade unions will conserve the interests of the different sections of the workers ; the co-operative undertakings will reduce waste, co-ordinate supply and demand, establish a democratic control over industry, and in this manner cause a gradual transition of property from the individualistic to the collective form, and bring about a more uniform state of social conditions. This transition will be hastened by the judicious application of legislation and of administration in the interests of the whole community. The municipal and State undertakings will supply those necessities and conveniences which may be common to all ; and they will be supplemented by individualistic and co-operative organisations which will provide those things in which a personal choice is necessary, and which in a sense may be considered luxuries, although they will include everything of an artistic nature in which the personality of the individual is considered the most important element. We may rest assured that there will be sufficient militant individualism in the world for a considerable time to obstruct the too rapid extension of collectivism in its various forms to domains where the " creed of liberty " is best left unviolated. The development of the altruistic feeling will be slow, but, as it proceeds, individualism will only be another form of collectivism, for then men will seek their own welfare in promoting that of the community. The general integration of industry will be supplemented by, or rather combined with,

the local and international integration which I have mentioned, and all will be permeated by a socialised individualism which will bring about in a rational manner the ideals of thoughtful Socialists. Even they admit that the movement which they represent can only be successful in proportion as it is a brotherly movement, and brotherliness is not to be extended simply by legislation and administration. No society can ever rise above the average intelligence and conscience of the people. The present duty of all social reformers is, therefore, to educate public opinion in the direction of their ideals. At the same time they must not press their ideals too fast, for, as Herbert Spencer has reminded us, "the policy of compromise, alike in institutions, in actions, and in beliefs, which especially characterises English life, is a policy essential to a society going through the transitions caused by continual growth and development"; . . . and further, that "for the carrying on of social life, the old must continue so long as the new is not ready: this perpetual compromise is an indispensable accompaniment of a normal development."¹ If these remarks were constantly kept in mind, there would be no need to fear that the society of the future would be a centralised cast-iron system of government in which all the people would be turned into civil servants under the control of the Ministry of the day. There would not only be elasticity and variety in the arrangements, but also perfect freedom for individual development so long as that did not interfere with the welfare of the community.

The social nature of the modern forces of production would be recognised, not only in the collective undertakings, but also in those of an individualistic nature,

¹ *The Study of Sociology*, p. 396.

and arrangements would be made to harmonise the production, exchange and distribution, and the intermediate agencies would be the means of co-ordinating the individual with the community. Under such conditions there would be free scope for the individual, and the result would be the true Socialism which comes chiefly from within, as distinguished from that which is imposed entirely from without. The former would lead to true individualism, and ought, indeed, to satisfy thoughtful anarchists,¹ the latter to dull or dead uniformity, and ultimately to degradation, both individual and national.

While it is unwise to indulge too much in the framing of complete Utopias, a moderate exercise of the imagination is very necessary so that the mind may rise above many of the low and sordid views of life and its possibilities too often held at present. As the evolution proceeds, the accomplishment of any part of the hopes of those who are intelligently and earnestly working for the welfare of humanity will open new vistas of progress, in which not only new problems will be presented, but also methods of solution which are at present undreamt of, and which will probably indicate possibilities which are far beyond the highest ideals of any Utopia which has ever been painted.

The imagination, moreover, must be restrained by attention to the physical and biological conditions of welfare which, I have pointed out, are necessary for every well-ordered and healthy community. There must be no idlers or parasites who fatten on the degradation of their fellow-creatures, no rights apart from corresponding duties, and all must be able to obtain the necessities for a healthy and intelligent existence.

¹ Cf. Prince Krapotkin, "The Scientific Basis of Anarchy," *Nineteenth Century*, February 1887, p. 238.

The first need which must be met out of the national resources is the adequate support of the workers, whether by brain or muscle; and in the society of the future brain labour will rank high, at least in honour, if not in material reward, although manual labour will not be considered either degrading or menial. Possibly there will always be a combination of a certain amount of manual work even with the highest mental exertions, an arrangement which would add both to mental and bodily vigour, and render unnecessary many of the rather ridiculous methods which are at present adopted to keep our bodies in good condition. I agree with Ruskin that many of the exercises necessary for physical training should not be ends in themselves, as in common gymnastics or in games, but that they should result in something real and practical. He says it is "my steady wish that schoolboys should learn skill in ploughing and seamanship rather than in cricket; and that young ladies should often be sent to help the cook and housemaid when they would rather be playing tennis."¹ Indeed, he insists on making "serviceable labour" an essential part of all education and daily life, and he has made it a condition of entry into St. George's Guild. The candidate has to swear and subscribe his honest hand to this law: "I will labour with such strength and opportunity as God gives me for my own daily bread; and all that my hand finds to do, I will do it with my might."

Next to the claims of the workers would come those of the aged and helpless. These latter are at the present time receiving much attention, and there can be little doubt that before long a national scheme will be carried out which will fully provide for them. The various

¹ *Igdrasil*, August 1890, p. 304.

aspects of the subject, however, require very careful consideration.

Education, recreation, and sanitation will, under the new organisation, receive every attention, so that the people may be thoroughly well developed physically, mentally, and morally. The applications of science will be widely spread, but they will always be subordinated to the welfare of the community, and will never be allowed to become its masters as they are at present, and the individuality of the workers will not be destroyed by undivided attention to one class of mechanical operations. The real problem at the root of industrial organisation is, How to get the best possible out of the working and leisure moments, so that all may feel that life is good and worth living.

In order that this problem may be solved in a satisfactory manner it is necessary that art should take an important place in industry and in the daily life of the people. The satisfaction of the primary animal wants—hunger, thirst, cold, etc.—is common to all. There is little qualitative difference in different men regarding them, and they may therefore be satisfied by the products of the factory system. There is, however, much room for the application of art in many of the subsidiary requirements which would allow the exertion of individual, spontaneous, and therefore pleasurable effort. It is, of course, impossible to say how far art will be applied in industry or be developed in its higher aspects, for it will depend on the intellectual and moral progress made by the people and on the conditions under which they live. It is at last being recognised that the true starting-point of economics is not the production of cheap goods or the accumulation of material wealth, but the qualitative develop-

ment of consumption by the great masses of the people.

When a proper ideal of Citizenship has grown up in men's minds, instead of hoarding up riches for themselves, or storing art treasures in their own rooms which they can only use for gratifying their own vanity, they will aim at making their city or their town beautiful, for they will be convinced of the necessity of surrounding men's lives with beauty. First of all they will endeavour to preserve whatever natural beauty there may be. They will therefore not allow the green fields, the clear waters, and even the air they breathe to be turned into gold. They will make their public buildings worthy of the genius and wealth of the people. Their style of architecture will be noble and dignified, and reflect the tastes and characteristics of the times. They will be beautiful within and enriched with the best works of the great national artists, and especially with illustrations of the development and history of the city and of the nation. Art and Nature will be intertwined, and the galleries will be placed in public gardens affording illustrations of the wonders of Nature, and opportunities of hearing the best music and the great national dramas, and of taking part in many other forms of healthy enjoyment and recreation and useful instruction.

"Then perhaps we might do something towards really building up a noble and beautiful human life, a life of useful and pleasurable, but not enforced or excessive labour; of labour gladdened by its recurring festivals, and closely allied with the invention and colour of art; a life in which the individual might have free scope, and character its full weight, yet with a paramount social sense of the unity of common life, of the life of which we are each a part only, which was here before

we came, and which will go on long after we are gone ; that life which absorbs while it protects and leaves free the individual man and woman, humanising them by the sense of mutual love and dependence while bracing them with a sense of public spirit and duty—such a life which, collectively speaking, is alone worthy to be called a free state.”¹

To the increased regard for the quality and not simply the quantity of life we must, indeed, look for the removal of the social and moral evils from which we suffer. This applies not only to the physical, but also to the intellectual and moral life ; for in their highest forms these are essentially social, because a really good life can only be lived in a good society. The saying of Spinoza that “the highest good is common to all, and all may equally enjoy it” is, as we have seen, now being recognised not simply as a moral truth, but also as a biological and social fact.

Such an organisation as I have sketched would afford the opportunities for every member of the community obtaining all that was necessary for healthy existence and rational enjoyment, in default of which the genuine life of Citizenship must remain for ever unattainable. A highly-developed civic life would render unnecessary a great many of the encumbrances and expenses of private life, which, without being in any way ascetic, would be plain and simple. The blind struggle for individual existence would be replaced by rational arrangements which would prevent the perpetuation of the unfit, and encourage the development of the fit ; and thus man would be elevated above the rest of the animal kingdom in virtue of his reasoning and moral powers. Industrial anarchy would be replaced by a systematic

¹ Walter Crane, *Claims of Decorative Art*, p. 61.

organisation which would co-ordinate means to ends and balance supply and demand. Property of every kind would be held subject to the ultimate social good ; the common well-being or wealth of the community would be estimated by the healthy, noble lives of the people and the public institutions of all kinds which ministered to their material, intellectual, and spiritual needs. Equality would not mean a dull, dead uniformity in the amount and nature of individual possessions, although the difference between the extremes would be much smaller than at present, for equality would be measured in terms of worth. There would as far as possible be equality of opportunities, not only for healthy development, but also for useful work ; but there must necessarily be inequalities of capacity, energy, influence, achievement, or reputation, although these would always be subordinated to social ends. Those who had drunk deepest of the true social spirit and recognised that equality meant worth, so far from being hostile to such superiorities, would gladly recognise in them a proof of the implicit worth of all and an incentive to further self-development. The consideration of these subjects takes us far beyond the evolution of Industry into that of Society generally, and this aspect of the subject must be reserved for another opportunity.

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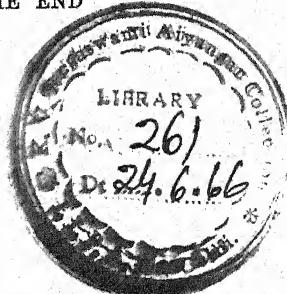
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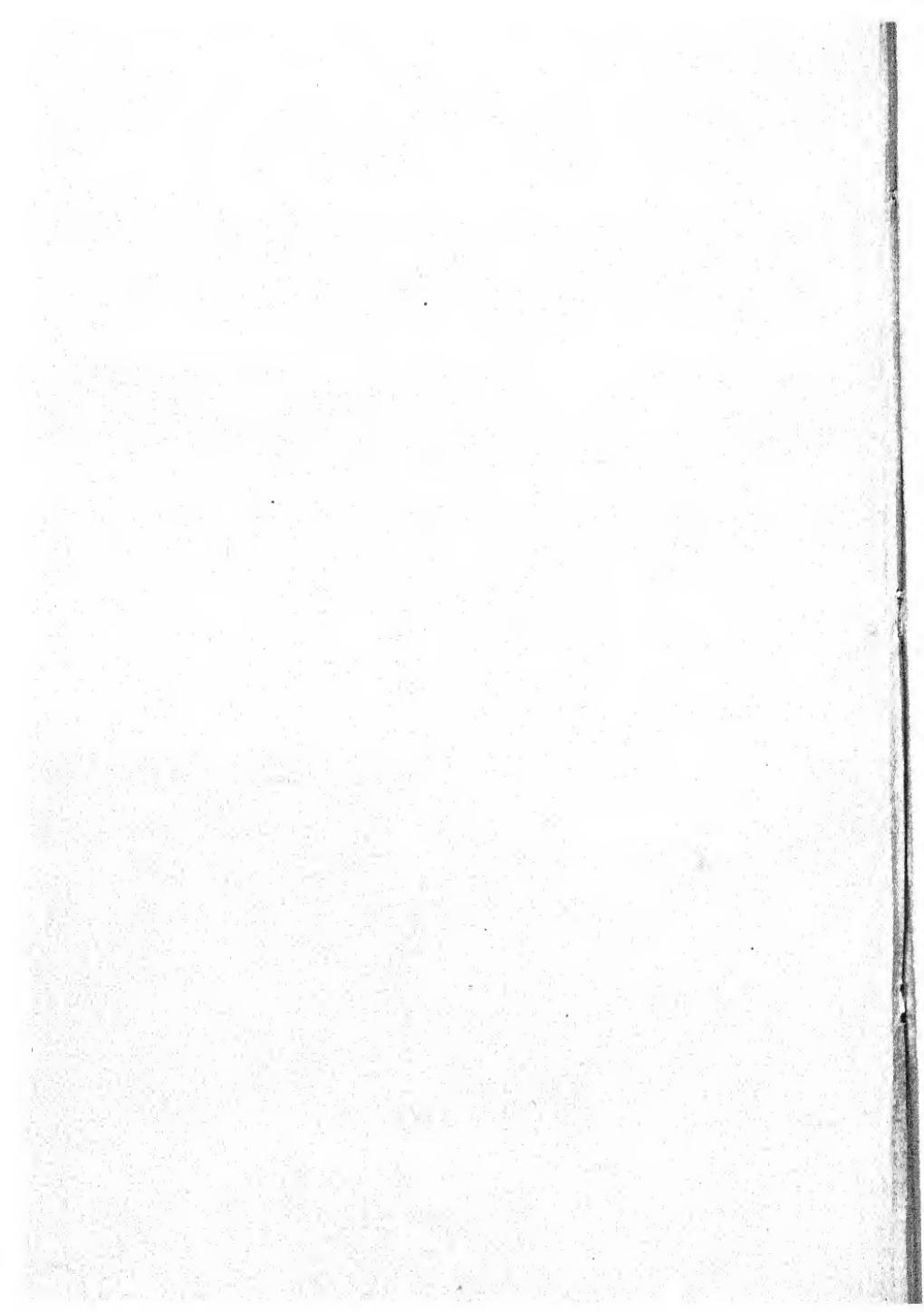
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